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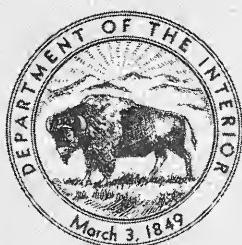
1954

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30

GOVERNOR OF THE VIRGIN ISLANDS

TO THE SECRETARY OF THE INTERIOR





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ANNUAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30

GOVERNOR OF THE
**VIRGIN
ISLANDS**

TO THE SECRETARY OF THE INTERIOR



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UNITED STATES
DEPARTMENT OF THE INTERIOR

Douglas McKay, *Secretary*

TERRITORY OF THE VIRGIN ISLANDS

Archie A. Alexander, *Governor*

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, D. C.

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Contents

	Page
FOREWORD	1
ADMINISTRATION AND SOME OF ITS PROBLEMS	2
PROBLEMS	2
PERSONNEL	6
VIRGIN ISLANDS AUDITOR	8
ST. JOHN DEVELOPMENT	9
A REVIEW OF ISLAND ECONOMICS	11
TOURISM	11
COMMERCE AND SHIPPING	16
LABOR AND LABOR RELATIONS	16
HEALTH AND SANITATION	19
PROBLEMS AND COMMENTS	19
ORGANIZATION OF THE HEALTH DEPARTMENT	21
STATISTICAL DATA	25
SANITATION	28
DENTAL SERVICES	29
LABORATORY	29
NURSING	29
HOSPITAL	31
EDUCATION	32
ST. THOMAS AND ST. JOHN	32
ST. CROIX	35
PUBLIC WORKS	36
PUBLIC UTILITIES	39
SOCIAL WELFARE	40
PUBLIC SAFETY	42
ST. THOMAS AND ST. JOHN	42
ST. CROIX	45
FINANCING THE COST OF GOVERNMENT	46
PUBLIC FINANCE AND TAXATION	46
REAL PROPERTY AND TAXES	52
DEFENSE ACTIVITIES	54
SELECTIVE SERVICE OPERATIONS	54
CIVIL DEFENSE	55
VIRGIN ISLANDS CORPORATION	56
SUGAR DEPARTMENT	57
POWER DEPARTMENT	58
MISCELLANEOUS	59
CONCLUSIONS	63

Annual Report of the Governor of the Virgin Islands, 1954

Archie A. Alexander, Governor



FOREWORD

THE present Governor was nominated by President Dwight D. Eisenhower on February 15, 1954, confirmed by the United States Senate on March 21, 1954, and took the oath of office at Charlotte Amalie, St. Thomas, Virgin Islands, on April 9, 1954. Hon. Douglas McKay, Secretary of the Interior, headed a delegation of distinguished officials from Washington who witnessed the ceremonies.

At the end of the fiscal year 1954 the present administration had been in office 9 days less than 3 months. During the month of April 1954 there were 17 holidays in the Virgin Islands, including Saturdays and Sundays. On April 19, 1954, the Governor was scheduled to present the Budget of the Virgin Islands to the Congress—after 3 working days. This appearance was postponed until April 27, 1954, which gave 9 working days to scan the budget and prepare a statement to the Congress. This is not written as being critical but in the hope that some thought might be given to situations of this nature in the future.

After reading the annual reports of previous Governors, there comes to mind a question as to just what should be contained in an annual report to the Secretary of the Interior. It is the belief of the present administration that this report should contain information to the Secretary of the Interior and, in turn, to the President of the United States and the Congress which would give them, without visiting these islands, a comprehensive and true picture of the situation even if the facts are distasteful to us of the Virgin Islands, or to others. We do not believe the Secretary of the Interior, the President of the United States and the Congress should have to wait years for another report such as that written by the late and beloved Senator Hugh Butler of Nebraska. It is the view of this administration that

the faults and the weaknesses as well as the progress and achievements should each year be pointed out so that we might know our faults and weaknesses and that the Secretary of the Interior, the President, and the Congress might understand and help us to overcome them. This report will be made in this fashion. Insofar as the present administration is concerned, this report covers but one quarter of the fiscal year.

ADMINISTRATION AND SOME OF ITS PROBLEMS

Problems

Housing.—According to Public Housing standards in the United States, 80 percent of the homes in St. Thomas are substandard; 69 percent are slum areas. Approximately one-fourth of the Federal employees working in the Virgin Islands are living in substandard homes. The 14 percent of better than substandard homes are either occupied by the upper echelon of native people or retired "Continentals," or are rented for sums that would be considered exorbitant in the United States.

The Soil Conservation Service has been desiring for months to bring a team to the Virgin Islands to assist with a soil conservation program which is so direly needed. One man has arrived. He is presently living in the aforementioned substandard housing. The possibility of others in the Soil Conservation Service following him into the Virgin Islands is remote. This is merely an example. It is the opinion of this administration that millions of dollars in topsoil are going into the ocean for the lack of a few thousand dollars in housing. Representatives of the United States Coast Guard, Civil Aeronautics Administration, Customs, Quartermaster Corps, etc., do not fare any better.

Returning to the native population, the slums above-mentioned are not slums as they are understood in continental United States. The slums in the Virgin Islands are those where, in many cases, nine people will live in a single room with no sanitary facilities and, when the rains come, it is necessary to pile furniture upon furniture in order to save what few effects are possessed. In the majority of these homes there is no thought of sleep when it rains but of saving what small belongings they have been able to acquire. This—in 69 percent of the homes in St. Thomas.

There are at present in St. Elizabeths Hospital in Washington, D. C., 150 mental patient natives of the Virgin Islands of the United States. It is quite possible that had the formative years of these people been in better environment they would have been better citizens; the Federal Government and the Government of the Virgin Islands not only would have saved money but would have gained from the labors and

ideas of these individuals who are now in institutions some of whom, with the fine line between mental illness and genius, might have accomplished great things for the Virgin Islands.

One of the darkest blots on the escutcheon of the Virgin Islands is the collection, in this twentieth century, of "night soil" and the disposal of kitchen and bathroom wastes through open storm sewers. These health hazards and esthetic nuisances must be corrected at the earliest possible moment.

For many months it has been our hope that the Public Housing Administration might approve the rehabilitation of the Berg Homes in St. Thomas and the Bassin Triangle Homes in Christiansted, and the Marley Homes in Frederiksted, St. Croix. In order to develop slum clearance, the first act must be to find homes for those in the slums whom it is desired to replace. In St. Thomas (where slum clearance is even more essential than in St. Croix) there are 57 homes in the Berg Development. Reservations have been made in the Paul M. Pearson Gardens for these 57 families. If Public Housing will approve the rehabilitation of the Berg Homes in St. Thomas then—upon the completion of this rehabilitation—it will be possible to select 57 families from a slum area to place in these homes and proceed with another slum clearance program, ad infinitum until the slums are eliminated.

With the assistance of the Slum Clearance Division of the Federal Housing Administration, we feel that effective steps can be taken almost immediately to at least make a start in correcting the dreadful housing situation now existing in the Virgin Islands. With the return of internal revenues, under a new Organic Act, we shall also be able to help ourselves.

Our population is housed in approximately 5,000 dwelling units of which about 80 percent must be construed as substandard. One of the greatest contributing factors to this condition of substandardization, especially in St. Thomas, is the absence of water reserves. Since rainfall provides practically the only source of water, this condition will continue until reservoirs are adequate.

Since healthy community development must be linked to the economic base of the islands, it is the intention and plan of the Government of the Virgin Islands to increase the level of family incomes by promoting industrial programs and expanding tourism. Once the economic base is secured, the full force of all the tools for urban development can more effectively be brought into play.

The Virgin Islands Government concerns itself with three urban areas: Charlotte Amalie on St. Thomas Island, Christiansted, and Frederiksted on St. Croix Island. In 1951 master plan studies were prepared for each of these three urban areas in order to plan intelligently our first

public housing program. In 1954, the master plan for Charlotte Amalie was further restudied and the final plan adopted by action of the Municipal Council of St. Thomas and St. John.

On hand are the results of several analyses that have been made of selected slum areas. These studies were made primarily to obtain a cross section of the economic conditions of slum families in order to help determine the market as well as the rent paying ability of slum families. On hand as well are the extensive studies made of the Savan area preparatory to commencement of our first slum clearance attempt. The program was halted at that time because of the unfavorable financial condition of the government and the municipalities. We found it impossible to meet the local participation required. The severe cancer spots in our urban area are generally small and can easily be analyzed. As soon as the time consuming work of initial tenant selection is completed, we propose to have the Virgin Islands Housing and Redevelopment Authority undertake selected neighborhood studies to determine the priorities for urban renewal they should have. The Planning Board will also participate in these determinations.

Actually, very little study is required to identify the areas marked for clearance. Casual observation marks them as unsuitable for any approach except demolition and removal. Certain other areas present rehabilitation possibilities. Little or no work has been done to plan constructively for such rehabilitation. Our housing agency will also undertake studies of these areas and the promotion of plans for rehabilitation with public as well as private funds. In these areas particularly, special emphasis must be placed on preserving the antiquities and old world influences that make our islands an attraction to tourists.

We feel we have the nucleus for the kind of organization to carry out our urban renewal programs. The Virgin Islands Housing and Redevelopment Authority under existing enabling legislation is empowered to move at once into any urban renewal program. The complete revision of our housing and slum clearance enabling legislation is under way now and planned for passage in the January 1955 session of the legislature. This will bring our enabling legislation in complete harmony with the provisions of the Housing Act of 1954.

Two public agencies are at work in utilizing public resources for making homes available within the means of families with limited incomes. Our Land Authority has funds available for making loans on liberal terms to promote home ownership.

The Virgin Islands Housing and Redevelopment Authority has completed and occupied 2 public housing projects—240 units at Charlotte Amalie and 110 units at Christiansted. A proposed project

for 70 units has been completely planned for Frederiksted but action on this has been halted. In addition, this Authority is renovating an old FWA project and will make available when completed 110 standard units in approximately 1 year for families to be displaced by slum clearance.

The limited incomes of a large proportion of our population makes private ownership of decent houses very difficult.

Our area is one of high building costs due primarily to shipping costs, freight handling, and shortage of skilled labor. For our low-income group we know of no other formula to assure decent, safe and sanitary housing than through the public housing program.

We recognize no minority problem since our racial policy is an integrated one.

When we have solved our slum and housing problems, we will have:

(1) made our islands more attractive to Federal personnel who are badly needed to perform essential Federal services to which we are fully entitled;

(2) greatly improved the morale of our own insular government administrative personnel;

(3) reached a point where we may with pride compete more favorably with other off-shore tourist resorts, and

(4) most important, our people, living in decent housing, will have a new incentive to participate in the economic, social, and political development of our islands.

Maintenance.—Throughout these islands there has been an appalling lack of maintenance. In 1948 the Department of the Navy leased to the municipality of St. Thomas and St. John, through the Department of the Interior, the submarine base, the homes at Bourne Field, and the airport on the condition they be maintained in the state in which they were at the time of the lease. In May 1954 the Governor was presented with an itemized list of what was necessary to be done in order to bring the properties to the 1948 standard, less ordinary wear and tear. The amount of repairs found necessary by the Navy amounted to \$538,000. An investigation showed that practically no maintenance was done on these properties from the time they were turned over to the municipality in 1948. The maintenance which was done was only to that extent which would keep the properties operative. As of the close of business June 30, 1954, the Secretary of the Interior canceled the lease to the municipality and turned the properties over to the Virgin Islands Corporation for operation.

This lack of maintenance was not confined to these particular properties, but has filtered throughout the islands. Although it was not true of the Navy properties, some of the insular lack of maintenance may have stemmed from a shortage of funds. However,

hundreds of thousands of dollars of roads and equipment have been permitted to depreciate to the scrap stage for the lack of even token maintenance.

During World War II there was an excellent 8 miles of hard-top road from Charlotte Amalie to the west end of St. Thomas. A minimum of 3 miles of this road is at present impassable except by jeep. This road leads to one of the most beautiful parts of St. Thomas, which would be a major tourist attraction if the road were maintained. The cost of bringing this road back to its original state is estimated to be approximately \$200,000. No estimate can be made of what the maintenance cost would have been had it been maintained. This lack of maintenance extends to the major plants as well as equipment. Every effort will be made to correct this extravagant and wasteful situation.

In St. Thomas, drainage from a few fall torrential rains and soil erosion are major problems. With the fall of a moderate rain, dozens of homes which are either on ground below sea level or in the path of "jury-rigged" guts are inundated. This has been occurring for many years without permanent relief and correction. In some homes (many occupied by Federal employees) there have been at times (this year also) 3 inches of silt after a fairly heavy rain. Flooring and furniture have been ruined, resulting in new purchases and another rain repeating the process. It is believed that this situation has existed for the past decade.

If proper drainage facilities are incorporated with a series of new roads extending throughout the islands, guts will become unnecessary and the torrential flow of water from the tops of the mountains to the seas will be abated and flooding and undermining of footings of buildings and homes prevented. It will also correct to a large degree soil erosion. It has been estimated this year that 1,780,000 tons of sadly needed topsoil washes into the seas each year. At this rate the time is not far off when the Virgin Islands will be back to the lava state in which they were created. Immediate action is necessary to correct this critical situation.

Roads are, of necessity, a long range and expensive program, and we are very hopeful that (with a copy of this report) the Public Roads Bureau will find it possible to take an interest and assist us with an adequate program.

Personnel

The classified plan of the Government of the Virgin Islands became effective on July 1, 1948. At that time, there were 137 classes of positions. These classes have been reviewed from time to time and

an effort has been made to avoid a rapid increase in the number of classes and also to eliminate those classes no longer in use.

A new pay plan was established in 1952 and although it set a \$780 per annum minimum salary level, it was not too far removed from the \$600 per annum minimum salary level in 1949 and the \$480 per annum level of the preceding years. It nevertheless reflected an increase of approximately 60 percent in minimum salary wages for the Government of the Virgin Islands between the years 1948 to 1952. It is anticipated that the achievements which have occurred during the past 7 years in our pay structure will be greatly enhanced by careful planning and use of that portion of the returns of the internal revenue funds which will soon become available for salary purposes in the Government of the Virgin Islands.

Recruitment, one of the major problems in any agency, is no longer the big headache of 1949, 1950, and 1951. It was relieved to a great extent by our ability to pay better salaries in 1952. We are still, however, far from the goal of being able to compete for the best trained personnel in various categories of employment. We look forward to an answer to our problems in these areas through the present comprehensive studies in Government reorganization as they affect pay.

The most far reaching action affecting all employees of the Virgin Islands Government in fiscal year 1954 was the ordinance establishing the biweekly pay periods in both municipalities. The important feature was not the simple fact of paying on a biweekly basis, but that salary payments could now be made at a reasonable time after the working period covered. This has been a most salutary adjustment in our disbursement and personnel procedures.

The centralization of all leave records for employees in the municipality of St. Thomas and St. John in the Division of Personnel was discontinued on November 16, 1953, when the responsibility was shifted to the individual agencies. The same decentralization was accomplished in St. Croix on February 28, 1954. This change was in keeping with the new payroll procedure. The Division of Personnel compiled leave for all employees, appointed and nonappointed, and prepared the initial attendance reports and individual pay cards.

The most important aspect of our activities during fiscal year 1954 has been the contractual agreement between the Retirement Board and the Public Administration Service, Chicago, Ill., for an actuarial study of the retirement system. The Board was required to prepare detailed charts showing (1) active employees (2) pensioners (3) mortality and service experience (4) financial statements (5) copies of ordinances. This information was submitted to the Public Administration Service on March 15, 1954. Their actuary, Mr. A. A. Weinberg, who is responsible for the report on our system, was in Puerto

Rico during April and came to St. Thomas for a conference with the Retirement Board. Many important details were discussed at the meeting. Mr. Weinberg expressed himself as being completely satisfied with the report in that it was well assembled and gave all necessary information. The Board is now awaiting the report from the Public Administration Service.

On January 1, 1954, the Government of the Virgin Islands entered upon an agreement with the Social Security Administration for coverage of all employees not covered under either municipal retirement system.

A statement of receipts and expenditures of the retirement fund for April 30, 1954, showed a balance on hand on that date of \$67,550.43. In addition the fund has an investment of \$120,000 in United States savings bonds, Series G and K. The Board is of the opinion that the balance on hand is more than enough to meet routine expenses, and is considering further investment in savings bonds. The Board, however, is awaiting the Public Administration Service's report before taking any action.

Distribution of employees as to major occupational groups

	St. Thomas and St. John	St. Croix	Total, Virgin Islands
Clerical.....	134	56	190
Administrative.....	28	9	37
Supervisory.....	15	10	25
Professional.....	178	111	289
Subprofessional.....	65	23	88
Public safety.....	43	34	77
Inspectional.....	7	9	16
Equipment operators.....	51	25	76
Trades and labor.....	125	71	196
Housekeeping.....	59	54	113
Food service.....	31	44	75
Engineering.....	6	2	8
Total.....	742	448	1,190

Virgin Islands Auditor

As of July 1, 1953, the Auditor's Office changed its procedures and functions from that of a desk postaudit to that of an on-the-site audit. The change in audit procedures (which is in line with the latest concepts in modern auditing) represents an improvement over the desk-audit type of postaudit and will undoubtedly be of great benefit to the future audit programs of this office by providing greater facility and accuracy in the carrying out of audits.

However, these advantages could not be reflected in the fiscal year covered by this report for the following reasons:

- (a) The change in audit procedure is based on the adoption and installation of the revised accounting system throughout the activities of the Government.

(b) That the revised accounting system has not as yet been installed in the majority of agencies of the Government.

(c) That until the revised system is installed in a sufficient number of agencies (particularly the larger ones) the Auditor's Office cannot properly evaluate its audit program or assess its effect on its budgetary requirements.

The first financial audit made to test both the revised accounting system and the new audit approach was that of the Knud-Hansen Memorial Hospital. The results obtained were sufficient to justify the desirability of the changes and to carry out its prompt adoption and installation throughout the other agencies of the Government.

For the first time an audit is at present being made of the accounts of the former St. Thomas Development Authority from start of business on January 1, 1948, through June 30, 1954, a period of 6½ years. The audit was commenced on May 21, 1954, and is still in process.

Due to lack of and delay in the appropriations of funds by the Municipal Council of St. Croix, no on-the-site audit could be made of Government agencies in that municipality.

Compliance with the property control and accounting system program is complete for all activities except the Knud-Hansen Memorial Hospital, municipality of St. Thomas and St. John and department of education, municipality of St. Croix. Though the Auditor was given all assurance that this delinquency would be corrected during the fiscal year 1954, it still exists.

St. John Development

The development of the Island of St. John is increasing rapidly. Guesthouses, already on the island, are in an era of expansion in anticipation that a greater influx of visitors from the mainland would enjoy the quiet and the beauty of St. John.

Because of the improvement made to the potable water supply system at Cruz Bay, the recent severe drought did not adversely affect the inhabitants of this district, and it was not necessary to ration individual amounts as was done in past years, although other precautionary measures were taken. The residents of the Coral Bay district did not fare as well as water had to be rationed to minimum needs from the small cistern at the public school in order to conserve the limited supply.

Transportation between Cruz Bay and Red Hook during recent years has been a most serious and perplexing problem, since the government-owned motorboat *St. John*, which was used for accommodation of the regular passenger service between these points, has been out of commission. This service has been continued for use of picket

boats which were not designed for this type of service. In order to meet the increase in traffic and eliminate the many difficulties now encountered, immediate efforts will be made to obtain a larger boat with diesel power and suitable for the traffic.

Communication on and between the islands is maintained by means of radiotelephones. There are 4 stations on St. John, 2 main and 2 substations; 1 each at Cruz Bay, Coral Bay, Caneel Bay, and Trunk Bay. The 2 main stations (Cruz Bay and Coral Bay) are maintained by the Government. This service is most essential as it is the quickest available means of communication in event of emergencies. Fixed regular schedules are maintained with the administration building, St. Thomas, and Coral Bay. The police station, St. Thomas, also operates an hourly schedule primarily for the handling of emergency calls.

The new Cruz Bay Elementary School, financed by Federal funds, is now being constructed. With the completion of this school, a regular library service conveniently located should be established.

Construction of the new road under the Virgin Islands public works program still continues. A section of one of the new relocations has been opened through to Coral Bay and, although not completed, vehicular traffic over this road is heavy. However, it would appear that work on this project has slowed down considerably.

When this project is completed, it will serve as the main route of travel, but being of dirt surface and sloping grades, the wear and maintenance cost will be great. In order to keep this wear and cost to a minimum, this road should be hard surfaced from Cruz Bay to Coral Bay. If this improvement could be done in sections, and spread over a period of 3 to 5 years, financing should be made less difficult, and the results to be obtained would be lasting and well worth the expenditure.

The municipally owned powerplant at Cruz Bay continues to serve, on a limited schedule, residents in the immediate vicinity of Cruz Bay only. Extension of this service to other areas should be undertaken as soon as possible.

Improvement of the present distribution system, which will assure better service to consumers, is urgently needed.

At present, all heavy equipment is kept in the open, thus being subjected to rapid deterioration. A shed will be constructed for the housing of this equipment as well as a storeroom built for storing of light equipment.

Emphasis should be placed on the raising of livestock as a major industry on St. John. The Government can possibly be helpful in this respect by the importation of good breeds of cattle, sheep, goats, and pigs into the island for the purpose of improving the fast deteriorat-

ing stock. Development of such a program would do much in helping to solve the economic problems of the island.

Tourism should be developed to accommodate the more conservative tourist who would wish to enjoy the peace, quiet and beautiful beaches of the island, for which it is noted.

In the past, charcoal (most of which was shipped to St. Thomas and St. Croix) was produced in large quantities on St. John, where there is an almost unlimited supply of wood for this purpose. This product offered a means of livelihood to many of the inhabitants and was also a valuable adjunct to the clearing of land. In spite of the high price offered, very little charcoal is now being produced and this is done by the older people. In several instances charcoal is shipped into St. John from Tortola or St. Thomas, which also imports it from Tortola. It would appear that the young people are not interested in this type of work but prefer to work at other means of employment now available on the island. If modern ways of production other than the old laborious "dirt pit" method could be introduced, it would help to make this occupation more attractive to the worker.

From spot checks of the real property assessment record made for St. John, there appears to be immediate need for a complete survey of all real property on St. John to determine current value, bring the assessment records up to date and correct obvious inaccuracies. If such a survey is made, it should result in increased collections of real-property tax.

A voluntary fire-fighting unit on St. John under the jurisdiction and supervision of the fire department, St. Thomas, should be organized and the necessary equipment adaptable for use on the island be furnished.

Because of the road and other construction jobs in progress, unemployment was at an all-time low.

A REVIEW OF ISLAND ECONOMICS

Tourism

One of the major sources of income in the Virgin Islands is tourism. The sun shines approximately 350 days per year. The average nightly temperature during the summer months is 74° to 75°. The highest day temperature during the summer months is 91°. The winter temperatures range from 70° to 84°.

During the winter season there are usually not sufficient hotels to accommodate those who desire to visit the Virgin Islands. The rates charged by the majority of hotels are beyond the reach of visitors from the United States who are required to operate on a budget. Hotels of the type available in the United States would, if reasonable

charges were made, be a boon to the Virgin Islands and to budget visitors from North, Central, and South America. The Virgin Islands need more hotels. As construction increases in the Virgin Islands, construction costs are going to be lowered.

The Governor's Business Advisory Council for the past 4 months has been planning to step up the "summer season" in the Virgin Islands. During June, July, and August the temperature of the air in the Virgin Islands is cooler than that during most of the period at Bar Harbor, Maine. The temperature of the water for swimming is warmer than that at Daytona Beach, Fla.

Excepting the cost of transportation to the Virgin Islands, there is no locality on the Eastern seaboard more suited to year-round vacationing than the Virgin Islands. This we intend to publicize in the United States.

During the 1954-55 winter season, as recorded to date, a minimum of 33 cruise ships will come into the Virgin Islands. Mention is made of this fact because the Corps of Engineers of the Department of the Army has funds available for improvement of harbor facilities in the Caribbean. We have written the Corps of Engineers, through the Secretary of Interior, that the harbor at Charlotte Amalie, St. Thomas, V. I., is one of the finest land-locked harbors in the North Atlantic or Caribbean; that the tonnage entering the Virgin Islands would be increased by approximately 40 percent if the harbors at St. Thomas and Christiansted were dredged and deepened. This would serve 2 purposes in that the dredge material would be used to fill those many areas below sea level and, at the same time, the channel would be deepened. At present, ships coming into either St. Thomas or Christiansted must "dog-leg"; into Christiansted it is necessary to "dog-leg" twice. The deepening of the ship channels into St. Thomas and St. Croix will not only enhance these islands from a tourist viewpoint but, at the same time, it is necessary to remember that 95 percent of the foodstuffs, house furnishings, et cetera, used in the Virgin Islands are imported by ship. It is also necessary to remember that the Department of Defense (particularly the United States Navy and Air Force) have a strategic interest in these islands.

During time of emergency when it is necessary to station military personnel in the Virgin Islands, the cost of lightering equipment and supplies into St. Croix would, because of the depth and narrowness of its channels, be a very expensive operation, and in times of heavy weather might entail tremendous loss.

Next to the vulnerable Panama Canal, the Virgin Islands are the most southerly possessions of the United States on the Atlantic side. In the event of an attack upon the United States from the southward, these islands would be of great value to the United States if the

harbors were deepened and the airport at St. Thomas lengthened. The airport at St. Croix will be lengthened during the coming year to handle practically every type of aircraft.

Pan American World Airways has advised the Governor that the airport at St. Thomas is the only problem airport of the 56 they serve on the Central, South, and North American eastern seaboard. This should be corrected at the earliest possible moment and a plea will be made shortly for the assistance of the Civil Aeronautics Board.

The Tourist Development Board operated under its usual extremely limited and difficult financial arrangements. In spite of the lack of sufficient funds to carry on its work in the proper manner through its efforts and promotional activities the fiscal year 1954 showed an increase over the previous year in tourist revenues.

During the past year, 30 cruise ships visited St. Thomas to set a record for postwar cruise ship visits. These cruise ships brought approximately 13,000 passengers and 10,000 crew members to St. Thomas. While many of the cruise ships did remain from early morning until midnight or later, the total proportionate number was less than the previous year. This may be attributed to the fact that numerous complaints were received from officials of the steamship companies regarding the manner in which their passengers were treated in various hotels and nightclubs.

However, as most of the ships stayed an average of 12 hours or longer, passengers were able to enjoy all the facilities of the port, including sightseeing, shopping, swimming, luncheon and dinner parties, and so forth. It is estimated that as a result of this the money spent by cruise ship passengers was more equally divided among the shops, bars, restaurants, hotels, and taxi drivers than in previous years.

Some difficulty was experienced in handling passengers from various cruise ships going to the anchorage due to the as yet far from complete waterfront area.

As has been pointed out in previous reports, the severe dearth of suitable and regular steamship passenger and freight service to the Virgin Islands, is a regrettable one. While it is recognized that such a service is of great importance to the tourist program, present operating costs, particularly aboard American flag steamers, make it impossible.

There is a possibility during the next few years of a car-ferry service carrying passengers and automobiles between Florida, Cuba, Haiti, Santo Domingo, Puerto Rico, and the Virgin Islands being inaugurated. This service was started recently between Key West and Havana. The operators intend to extend services as the travel warrants.

Air transportation to the Virgin Islands continues to be our principal means of travel to and from the United States and Puerto Rico. Caribbean Atlantic Airlines has again, as in previous years, set a record total of 54,952 passengers, an increase of almost 10 percent over the last fiscal year. Traffic on Pan American World Airways showed a slight decrease, however, due to a revision of their schedule and the closing down of the St. Thomas airport to DC4 traffic for a number of months while the runway was undergoing repairs.

Agitation for direct service from the United States to the Virgin Islands continued. While no formal briefs were prepared and presented to the Civil Aeronautics Board in Washington, because of their cost and difficulty of preparation, efforts by the Government Tourist Board, the hotel association and the chamber of commerce continued to press further the plans for such service.

The present fiscal year witnessed the greatest influx of United States military personnel since the war years. Over 30,000 service men, mostly United States Navy and Marine Corps, visited the Virgin Islands on liberty parties throughout the year. These liberty parties were in conjunction with two large maneuvers held in the nearby islands of Culebra and Vieques.

In addition, a special group of 200 men of the U. D. T. (U. S. N.) spent a 6-week training period here.

Various military and air units also visited St. Thomas during this same period.

Through the cooperation of the chamber of commerce, the tourist board and the Governor's Office, a U. S. O. headquarters supervised by local and stateside officials of the U. S. O., was operated for the convenience of the servicemen.

The third annual Virgin Islands carnival was held in April 1954 and again proved an outstanding success. The tourist board was in the forefront of making plans and arrangements for the carnival, particularly in connection with publicity. In this regard, it is interesting to note one of the largest postcard manufacturers in the United States published a series of 24 full-color postcards on the carnival and numerous articles with pictures appeared in the stateside press.

One of the greatest problems of the tourist board is the gathering of reliable statistics.

However, with the assistance and cooperation of the tax commissioner, the development authority, United States Customs, immigration, principal airlines and the tourist development board's own records, fairly accurate, but incomplete, statistics on tourist traffic and revenues can be compiled.

It is reliably estimated during the past fiscal year that a total of 103,867 visitors landed on St. Thomas and left here a total of approxi-

mately \$5,200,000 which is an increase of slightly 10 percent over the previous year.

Tourist visitors to St. Thomas can be roughly classified as follows:

	<i>1953-54</i>
(a) West Indies cruise ships-----	13, 323
(b) Regular steamers-----	2, 200
(c) Caribbean-Atlantic airlines-----	54, 952
(d) Pan American World airways-----	3, 392
(e) Military personnel (Naval and Marine)-----	30, 000
 Total-----	 103, 867

Expenditures in St. Thomas may be broken down as follows:

(a) Tourist purchases (shops and restaurants)-----	2, 600, 000
(b) Hotel receipts-----	2, 000, 000
(c) Sightseeing and taxi receipts-----	600, 000
 Total-----	 5, 200, 000

It is estimated that tourists spent in our shops and restaurants a total of \$2,600,000, an increase of almost \$300,000 over the previous year. The average tourist expenditure in this category was \$25.34 as against \$21.60 the previous year. The bulk of this increase can be attributed to the increase of military personnel and cruise-ship passengers visiting here over the past fiscal year.

Bed capacities in the hotels of St. Thomas and St. John varied little over the previous year. However, in spite of adverse reports, it is believed that the average earning per bed exceeded those of the previous year. This is based on the fact that the summer of 1953 was a far better one than the summer of the previous year.

Sightseeing and taxi receipts during the fiscal year showed a very encouraging increase, totaling approximately \$600,000. This may be attributed to the formation of the St. Thomas Taxi Association into a reliable organization capable of handling tours. Because of this, many group sightseeing trips were conducted for the passengers aboard the large cruise ships visiting here last winter. Such organizations as Thomas Cook & Sons, American Express, and House of Travel, were high in their praise of the efficient operation of these tours.

The most important recommendations for the future, are:

- (a) Sufficient finances to carry out an adequate program of promotion and advertising.
- (b) A reasonable budget to permit the employment of a sufficient staff, housed in adequate and fully equipped quarters.

(c) Authority to "police" the tourist industry to prevent and rectify many of the unethical and unwise practices engaged in by those in the tourist industry.

(d) Authority to set up the machinery which will provide full, complete, and reliable tourist statistics.

(e) A realistic approach on the part of the executive and legislative branches of the Government to the importance of tourism in regard to the economy of the municipality of St. Thomas and St. John, as well as the Virgin Islands as a whole.

Commerce and Shipping

There was an increase in the number of merchant ships calling at the port of St. Thomas during the fiscal year 1954 as compared with 1953. A total of 406 merchant ships with a gross tonnage of 1,935,141 called at St. Thomas as compared with 322 ships with a gross tonnage of 1,920,735. One hundred seventy-two United States Government vessels called at St. Thomas during the fiscal year as compared with 193 in 1953.

The Delta Line continued regular triweekly bunkering calls and fueling visits by ships in the banana trade. These increased approximately 30 percent over the previous year. Thirty-one cruise ships visited St. Thomas as compared to 20 the previous year, and 12 in 1952.

During the year the waterfront project was completed and title taken by the municipality. There still remains the surfacing of a portion of the road adjacent to the waterfront, and this will be completed during this fiscal year.

Transportation, both of passengers and freight by air, is an increasingly important factor in local commerce activities. Approximately 421,213 pounds of cargo and over 170,600 passengers were transported by air in and out of the Virgin Islands during the fiscal year 1954. During the last quarter of the fiscal year, plans were almost completed for the extension of the runway of Alexander Hamilton Airport in St. Croix. The contract will be let very shortly. Plans are underway to make a survey as to the possibility of extending the St. Thomas airport by at least 1,500 feet. Vigorous action will be taken in this direction during the coming year.

Labor and Labor Relations

During the fiscal year 1954, the records reflect that there were filed with the Office of the Compensation Commissioner 536 injury reports. Of this number, 518 cases were disposed of involving medical costs or compensation for disability in the various classifications including

death benefits. There are 18 cases on the docket pending the submission of additional information as required by law.

A breakdown of the total money value awarded shows:

Disability and medical claims

Temporary total disability-----	\$11, 936. 34
Permanent partial disability-----	2, 972. 03
Death compensation-----	4, 580. 00
Medical and hospital expenses-----	10, 257. 41
Other services-----	194. 50
 Total-----	 20, 142. 88

During the fiscal year, employment was at its peak throughout the municipality of St. Croix. As a result, there was a substantial increase in number of workmen's compensation claims. While this increase has direct numeric relation to increased employment, it is also accelerated by other accident inducing factors, such as fatigue that results from overtime work, and the entrance of new and often untrained workers.

In the period covered by this report, unemployment in St. Thomas has been at its highest in recent years. The completion or near completion of several Federal work projects in the last 6 months of the year, and the closing of the Virgin Isle Hotel, were the causes of considerable unemployment in St. Thomas.

There is every indication of the need for the continuity of the safety program until every worker in the field of industrial employment realizes his obligations under the Compensation Act, and his relationship to his fellow workers.

In adopting the wage and hour law, the legislature sought to use its powers to eliminate labor conditions detrimental to the health, efficiency, and well-being of workers, and to eliminate unfair methods of competition, and to increase employment opportunities.

The act does not limit the number of hours of work in which an employee may be engaged; it does not provide for different rates of pay for Sundays or holidays, as such. The provisions apply whatever the method of payment—hourly, weekly, piecework, or monthly. The general minimum wage requirement of the act is that each covered and nonexempt employee must be paid not less than the rate specified in the various classifications thereunder. That is—

	<i>Per hour</i>
Utility worker-----	\$0. 30
Sales or service clerk-----	. 35
Unskilled labor-----	. 40
Semiskilled labor-----	. 50
Skilled labor-----	. 65

A new type of wage law is needed in the Virgin Islands establishing minimum wages on the industry basis rather than by the present system of labor categories.

Our employee placement record for this year is slightly lower than that of fiscal year 1953. This is due in part to the development of a better placement service than in previous years. Applicants are holding jobs longer and employers are making an effort to hold their employees by making jobs more attractive. This general tendency toward longer job tenure is due largely to the efforts of our interviewers, who in their contacts with applicants and employers, try to obtain, clarify, and disseminate accurate information on worker qualifications and job requirements.

Another contributing factor was the decline in placement opportunities due to the change of many of our businesses from year-round operation to seasonal operation.

Realizing the importance of a wise vocational choice, particularly among our young men and women entering the labor market, the Virgin Islands Employment Service for the first time administered General Aptitude Test Board tests to the senior classes of both public and parochial high schools of St. Thomas. Counseling these young people was a cooperative effort between the schools and the Employment Service. As a result, the guidance counselors were in a position to assist the counselees in deciding upon the type of work for which each was best equipped.

Fiscal year 1954 witnessed the first full year of operation of Title IV, Veterans Readjustment Assistance Act of 1952. During the year a total of \$27,421 was paid to veterans of the Korean conflict as unemployment compensation.

Veterans were given preferential treatment in selection and referral to all jobs received in the office for which their training and ability suited them. There was extremely low incidence of handicapped veterans among our veteran applicants.

One of the most important activities was the processing of clearance orders for alien labor from neighboring British and French islands. These workers are needed for farming, fishing, and sometimes construction. Numerous requests for other workers were denied clearance recommendations because there was an adequate supply of local labor to fill the orders.

Alien agricultural workers were used to plant and harvest sugarcane and vegetables; some were employed on dairy and livestock farms. Contrary to the general opinion that Virgin Islanders do not like to do farmwork, it has been found that even though they are not making a living from farming, several hundreds of persons are attempting

farm activities. The aliens that were imported represented labor needed in addition to the local farm labor force.

The fishermen who were imported were needed to assist in procuring an adequate supply of fresh fish for local consumption. Through the coordinated regulations of the Immigration and Employment Services, 53 general farmhands and 45 fishermen were imported to assist in the production of foods for the Virgin Islands.

HEALTH AND SANITATION

Problems and Comments

In our transition from the old to the new institutions, the problem of recruiting physicians and surgeons in an area of comparative isolation was tremendous. The people of the Virgin Islands, because of their geographic isolation, require the full-time service of specialists. The greatest demands lie in the fields of internal medicine, general surgery, obstetrics, and pediatrics. These positions must be full time, in order that they may effectively meet the needs of our people.

Even though great strides have been made in rendering acceptable medical and surgical care, there are many needs to be filled. The areas of greatest weakness are in the following fields of medical practice: radiology, ophthalmology, and pathology. The increasing high incidence of the degenerative diseases and the anticipated increase in malignant neoplasms due to an aging population, speak loudly for the employment of a competent radiologist in order that malignant neoplasms of the gastro-intestinal tract and other areas may be diagnosed early. These diseases occur when the patient is at his peak of production and unless they are discovered when amenable to early surgical correction, the loss of life incident to late diagnosis might very well be economically disastrous. The Virgin Islands community cannot afford to ignore this need indefinitely.

Several efforts have been made during the last fiscal year to recruit an ophthalmologist for service in the Virgin Islands. With a total population of 30,000, 85 percent indigent, it is difficult to recruit a physician in this specialty. The Government salary offered for this position is not in line with salaries offered for similar positions in continental United States. Due to the inability to recruit an ophthalmologist, a backlog of eye conditions amenable to surgical treatment has accumulated throughout the Virgin Islands. Traumatic eye conditions are commonly seen and treated by men who are specialists in other fields. This danger is quite obvious since the sight of many patients is endangered.

Tissue diagnosis by a resident pathologist is a requirement of many hospitals. No hospital can be accredited, unless this deficiency is

corrected. A consultant pathologist or the referral of tissues to the island of Puerto Rico does not fully meet the needs of an institution in which medicine is practiced scientifically.

During the last two years the courts have requested specialized information from the Department of Health. The need for a pathologist in this area for medical-legal work is increasing.

Notwithstanding the above deficiencies, considerable improvement has been made in the detailed management of patients presenting themselves for diagnosis and treatment. For the first time, physicians were able to treat patients utilizing solutions which were scientifically prepared to meet the deficiencies of electrolyte balance. The laboratory services now available are headed by a competent medical technician and this ancillary division has been rendering excellent support to our physicians.

The loss of an insular obstetrician creates a serious problem since the general surgeons on the staff are required to cover this highly special training in obstetrics, and the responsibility for carrying this service during the absence of the obstetrician reduces his effectiveness as a policy making official in the Government of the Virgin Islands.

The need for additional help in general surgery has increased during the last fiscal year, since the number of traumatic cases admitted to the hospital for treatment has doubled. Only occasional fractures were seen 5 years ago. Now an average of 7 fractures per week are treated at the hospital. This places a tremendous demand on the 2 practitioners with training and experience in fracture work. The quality of medical care will not improve unless an effort is made to employ at least 4 physicians with specialized training in the above-mentioned fields. The present quality of medical care now rendered to the community is only made possible through some members of the medical staff endangering their health to provide specialized services for the patients of the hospital. It is hoped that this situation will be corrected in the near future since we are threatened with the loss of valuable personnel.

In order to reduce the "drudge work" on the full-time physicians a program of accepting externs in their senior years of medical school, was adopted. The help of these senior medical students has helped to reduce immeasurably, the physical efforts necessary on the part of our physicians to render 24-hour coverage at the hospital. The early treatment of minor injuries and ailments has been delegated to these students and the time of the full-time medical officer utilized in the performance of skills requiring his specialized knowledge. This program should become a regular part of our hospital budget, with funds specifically appropriated for it.

It is now time for the Government of the Virgin Islands to take stock of the diverse and complex functions relegated to a Health Department. Since the new Organic Act provides for a department head appointed by the Governor and confirmed by the legislature for a limited period of time, the advantages to be gained from a career position are lost. The Virgin Islands in their present stage of economic and political development does not lend itself readily to this arrangement, since a political appointee with short tenure of office could not be expected to provide the same level of service in a highly specialized field as a career professional dedicated to the general principle of rendering the patient scientific care in a backward area.

The incentives, financial and otherwise, in Government work fail to attract a department head with broad training and experience capable of supervising a professionally complex organization.

Therefore, every effort should be made to organize the Health Department solely on a career basis, similar to the Veterans' Administration and United States Public Health Service.

Organization of the Health Department

There are 2 municipalities in the Virgin Islands. St. Croix, the largest of the 3 islands, known as the municipality of St. Croix; the municipality of St. Thomas and St. John (28 and 20 square miles, respectively). Each comprises a public health medical care unit.

The United States Children's Bureau and the United States Public Health Service continue to furnish invaluable aid through their agencies and consultative services to the local health department in the planning of programs.

The Virgin Islands Department of Health is under the administrative supervision of the commissioner of health, who is responsible for the public health and preventive aspects of medicine in the area; he is also the chief municipal physician of the municipality of St. Thomas and St. John, responsible for medical care.

There are 2 assistant commissioners of health; 1 residing in St. Croix, who is also the chief municipal physician for that island; the other residing in St. Thomas, who is the assistant chief municipal physician, and who, in the absence of the commissioner of health, is responsible for the administration of the insular health program. The chief municipal physician of St. Croix conducts a medical care public health program on that island.

The Commissioner of Health makes monthly trips to St. Croix in order to coordinate and develop a unified program for the Virgin Islands. The assistant commissioner of health and assistant chief municipal physician residing in St. Thomas is also the insular consult-

ant on tuberculosis, and assumes considerable administrative responsibility in the general supervision of medical care on that island.

In addition, there are 5 municipal physicians in the municipality of St. Thomas and St. John and 4 municipal physicians and a chief municipal physician in St. Croix. These staff physicians perform the routine duties connected with hospitalized patients rendering in many cases highly specialized services. An obstetrician is in charge of all obstetrical services in both municipalities. He is also responsible for antepartum and postpartum clinics throughout the Virgin Islands. A similar service is furnished by the insular pediatrician. A neuropsychiatrist and an orthopedic surgeon make weekly trips to the Virgin Islands from the neighboring island of Puerto Rico. An otologist conducts biweekly clinics in the Virgin Islands. Out-patient clinics held on the island of St. John, by a staff physician from St. Thomas, are conducted twice a week. Plastic surgery is performed by contract under the Children's Bureau Crippled Children's Program by a plastic surgeon in Puerto Rico. Dental services are furnished by 2 municipal dentists—1 each in municipality.

There is now established within the health department a division of general services, which came into being after months of planning and advice from administrative methods consultants of the United States Public Health Service and Children's Bureau. These services are now placed under this division: Business management, health, education, and vital records and statistical services. With this amalgamation, one section will be responsible to provide the commissioner of health with information that was not readily available from one source.

The accounting and financing division registered on its books the amount of \$186,423—allocated to the Government of the Virgin Islands, department of health, by the United States Public Health Service and Children's Bureau—for health services; \$30,500 appropriated by the insular government; \$433,658 appropriated by the municipality of St. Thomas and St. John for salaries and expenses for medical care; \$353,122 by the municipality of St. Croix for their medical care program in addition to the \$500 that must be appropriated to qualify for participation in programs of the Children's Bureau. Through community efforts the sum of \$10,054 was made available for the department to purchase drugs and biologicals for indigent patients.

The revision and reorganization of the division of public health nursing, which began last year, was continued. There is still much to be done and this should proceed more satisfactorily when both supervisory posts are filled.

The creation of the district file for each nurse permits better supervision of the registered cases in their district.

The index file is being brought up to date. This makes it easier to locate persons registered in the program.

Emphasis was increased on the use of records to indicate services given, identify persons registered, those requiring services, as well as to measure progress.

The importance of the content of information recorded was stressed and some improvement was noted.

Referrals for service both intradepartmentally as well as interdepartmentally increased approximately 200 percent.

Gains are possible in the area of interdepartmental cooperation.

Field visits to St. John were made on an irregular basis due to need of the program in the other two islands. This will improve when supervisory personnel increases.

Field visits to St. Croix were made on a regular basis but the length of stay decreased and they were insufficient for the needs of that island.

The visit of a nurse consultant from United States Public Health Service, district III, National Tuberculosis Association, Mental Health, Social Hygiene, and Medical Director of Children's Bureau proved stimulating, and educational.

New job specifications submitted originally in July 1952 and revised by regional consultants in district III were again presented to the division for a final review. The category public health assistant is a new public health specification, added with the view of providing subprofessional services to augment the need for increased services.

There is continued need for personnel to provide clerical and custodial services in order to keep down costs.

The vacancies in both supervisory and administrative positions presented severe handicaps for 6 months. In order to maintain minimum levels of efficiency, the public health nursing program in the Virgin Islands is greatly dependent on supervision. Many staff nurses required more sick and annual leave than in past years. It has pointed up the fact that the aging process makes plans for needed replacement a necessity. A complete physical, in order to assess our health inventory, was given to all the nurses in St. Thomas. It was recommended that the other islands provide for same.

Communicable disease control.—A total of 315 smallpox vaccinations and 664 DPT immunizations were done in the well-child conferences. No special program took place. The inability to obtain a steady flow of supplies resulted in several breaks in this service.

Maternity service.—This service has continued to show an increase in admissions both in medical services as well as in nursing visits.

The loss of the obstetrician has further increased the demand for clinic services. In order to maintain a level consistent with minimum standards, there is need for additional personnel both to direct as well as to provide services. Education for parents needs emphasis.

The nurse midwives in St. Thomas have increased the scope of their activities to include the antepartum supervision of mothers. The recent practice of assigning a nurse midwife around the clock in the hospital has been a milestone in obstetrical services. Most deliveries now take place in the hospital and receive services from a midwife.

Much has to be done in St. Croix to bring that program up to the level of St. Thomas, where the midwives continue to limit their function to actual delivery.

The nurse midwives in St. John need to be rotated through the program in St. Thomas in order to promote standardization of procedures as well as improvement in the quality of service.

Prematurity.—Home evaluation was requested on all babies born in St. Thomas and St. John and a follow-up notice of discharge resulted in an increased amount of nursing supervision throughout the first year of life. Continued emphasis is to be given when more help is available. Much remains to be done to reduce prematurity and to promote better care during the first year of life. This area needs emphasis in St. Croix.

Infant health.—The well-child clinics continue to serve to a large extent as pediatric clinics, and the nursing conferences seem to focus on milk distribution mainly. Demonstration clinics are indicated in order to increase opportunities for drill in an effort to change the attitude of the staff nurses who are the chief problem.

There is still the great need for more and better home visits for child health supervision. Too often the visit is to carry a notice for clinic rather than to promote teaching, demonstration, or to implement clinic services.

School health.—School health examinations were conducted during the first part of the year in St. Croix and had to be discontinued due to medical and nursing shortages. None were done in St. Thomas and St. John. More needs to be done in the area of the communicable diseases of children as yearly they consume considerable nursing time and increase the need for much medical followup which is available only in one island.

Direct clinic services in the form of interviews, counseling, guidance, testing, reporting, and psychiatric and psychological evaluations were given to approximately 200 children under the age of 18 in St. Thomas, St. Croix, and St. John. These were referred by: Schools, division of child welfare, public health nurses, maternal and child

health and crippled children's services, self-referrals, parents, police and prison, and the courts.

During the early part of February 1954, the division of mental health cooperated with the division of health education in sponsoring and promoting a 10-day workshop on health and human relations with emphasis on "Personal and Family Living," by Miss Katherine Rahl, associate director of the American Social Hygiene Association. Meetings were held in St. Thomas and St. Croix.

Weekly psychiatric and psychological clinics were held in St. Thomas and monthly in St. Croix. Eighty percent of the patients seen in the clinics were children.

It has been necessary for the director of mental health to write emergency procedures for St. Croix since the program has had no worker on that island for the last 8 months. It has become increasingly evident that there is need for a full-time worker in mental health in St. Croix.

Statistical Data

The Division of Statistical Services was organized to process statistical data for use by the health department in planning, executing, and evaluating the health program, and the provision of statistical consulting services to program directors. However, since an efficient registration program is the base of an efficient statistical program, it immediately became evident that the registration program in the separate municipalities should be coordinated with the new service, there being no central Division of Vital Statistics, but each municipality having its own vital statistics law providing for the registration of births, stillbirths, and deaths. The director of statistical services was therefore assigned the responsibility of coordinating registration activities in the two municipalities with statistical services and reviewing vital certificates for accuracy and completeness.

As a result of the activities of the new division, a vital statistics law for the Virgin Islands was passed by the Legislative Assembly in December 1953. However, because of the failure on the part of the legislative and administrative officials to follow the practice of conferring with interested persons or groups before the passage of the bill, there are a few minor flaws. But on the whole, the law satisfied two long-existing needs. There is now legal centralization of authority and responsibility for the registration program in the Virgin Islands, and in keeping with the national trend, the scope of mandatory registration activities has been broadened.

Perhaps the weakest area in the field of public health report is that of reporting and collecting of figures on notifiable diseases. This division is charged with the responsibility of preparing the annual re-

port on notifiable diseases to be submitted to the United States Public Health Service, and in the absence of any centralized or definite source of current data, also collects monthly figures for the local United States Public Health office. In spite of the fact that as many sources as possible are contacted, the results indicate that the figures available present a rosy picture of health conditions that is far from the actual situation.

In 1953 there were 872 live births registered in the Virgin Islands with a birth rate of 30.6 per 1,000 estimated population. Of these live births, 449 were registered in St. Thomas, where the rate was 30.12 and 412 in St. Croix, where the rate was 32.2. In St. John, the figures were 11 live births and a rate of 14.3. These figures show no appreciable change over 1952, when the number of live births was 862 and the estimated rate 30.9.

Two hundred and seventy-eight deaths and a death rate of 9.8 per 1,000 estimated population represent an appreciable improvement over figures for 1952, when there were 346 deaths with a rate of 12.4 per 1,000 estimated population. The improvement is reflected particularly in the figures for St. Thomas, where there were registered 114 deaths with a rate of 7.6 per 1,000 estimated population against 155 deaths and a rate of 10.6 in 1952. The St. Croix figures, which also represent an improvement over the previous year, are 160 deaths and a rate of 12.5 in 1953, compared with 186 deaths and a rate of 14.8 in 1952. In St. John the figures were 4 deaths and a rate of 5.2 in 1953 against 5 deaths and a rate of 6.5 in 1952.

Leading causes of death in the Virgin Islands in order of importance were:

	Percent-age of all deaths	Rate
(1) Diseases of the heart.....	32.3	316.3
(2) Malignant neoplasms.....	8.6	84.3
(3) Diseases of early infancy.....	7.1	70.3
(4) Vascular lesions affecting central nervous system.....	6.1	59.7
(5) Accidents, including 1 motor vehicle.....	4.3	42.2

Deaths according to age were distributed as follows:

	Percent
Under 1 year.....	12.59
1-4 years.....	2.88
5-14 years.....	.36
15-24 years.....	1.08
25-44 years.....	9.0
45-64 years.....	23.39
65 years and over.....	50.0
Unknown.....	.7

Thirty-five infant deaths and a rate of 40.1 per 1,000 live births are the lowest figures ever recorded for the Virgin Islands and show

an appreciable improvement over 1952 when there were 46 deaths and a rate of 53.4. In St. Thomas the figures are 17 infant deaths and a rate of 37.8, and in St. Croix, 18 deaths and a rate of 43.7. No infant deaths were reported for St. John. Though the decline in infant mortality is encouraging for the Virgin Islands, the rate still compares unfavorably with that for the United States as a whole, where the estimated rate for 1953 is 28.0 per 1,000.

The leading causes of infant deaths were:

	Percent of total	Rate
(1) Atelectasis.....	31.4	12.6
(2) Pneumonia all forms.....	20.0	8.0
(3) Gastro-enteritis and colitis.....	11.4	4.6

The record of no reported maternal deaths set in 1952 was maintained in 1953.

The stillbirth picture is discouraging, there being 33 stillbirths in 1953 with a ratio of 37.8 per 1,000 live births. For 1952, the figures were 25 stillbirths and a ratio of 29.0.

For the first time since 1949, the marriage figures were higher than the divorce figures, 247 marriages and 236 divorces having occurred in 1953. The decline in divorce figures is due to a test case pending before the Supreme Court during the latter part of the year.

Population estimates for 1953 are based upon natural increase only. Estimates are as follows: Virgin Islands 28,454; St. Croix 12,806; St. Thomas 14,878; St. John 770.

Hospital statistics, Knud-Hansen Memorial Hospital, St. Thomas

Number of beds.....	116
Number of bassinets.....	20
Number of bed patients cared for.....	2,190
Total hospital days.....	31,911
Average number of days stay per patient.....	14
Clinic visits.....	17,560
Daily average occupancy.....	87
Peak occupancy.....	104
Minimum occupancy.....	82
Births in hospital.....	412
Deaths in hospital.....	70
Operations.....	480
Autopsies.....	6
Total number X-rays taken.....	3,187
Fluoroscopies.....	85
Physicians working in hospital.....	10
Graduate nurses on staff.....	23
Nurse aides on staff.....	46
Nurse midwives.....	3
Nursing administrative personnel.....	3
Total number of employees in hospital.....	152

Institutional statistics, department of health, St. Croix, 1953-54

	Christians- tiansted Hospi- tal	Freder- iksted Clinic	Hansen Home	King's Hill Home
Beds.....	62	12	92	150
Bassinets.....	11	4		
Average occupancy.....	45	12	10	113
Peak occupancy.....	69	12	11	116
Minimum occupancy.....	19	5	10	101
Number of physicians.....	{ (1) 3 (2) 1 }	2	(2)	(2)
Number of graduate nurses.....	21	10	1	5
Births in hospital.....	222	105		
Deaths in hospital.....	64	28	0	38
Number of X-ray pictures taken.....	1,293	321		
Operations.....	240	141		

¹ Full time.² Part time.*Sanitation*

Sewage disposal in the Virgin Islands is still a serious problem. The public sewer systems in St. Thomas and in St. Croix are not adequate for the growing population in the islands.

There are innumerable unsewered areas in both islands. Private sewage disposal is properly controlled by the Division of Sanitation according to law. The night soil can collection system is still a serious health hazard in the Virgin Islands. This system will exist until adequate hygienic housing is provided for the inhabitants of the islands. Also, the enlargement of the sewer system in both islands will alleviate many of the night-soil cans in the islands.

Milk sanitation in St. Croix is still a problem. A modern pasteurization plant with a capacity of only 700 quarts a day is in operation. The milk sanitation situation in St. Thomas is not considered a serious problem.

A grave problem in the environmental health program in the Virgin Islands is one of training for sanitation inspectors. Sanitation inspectors have been exposed only to the limited training given by the director of sanitation. Funds should be made available to have sanitation inspectors trained abroad in short courses in sanitation. The alternative is to employ two already trained sanitarians in the islands and have them carry out training programs.

Plans for a private sewage disposal system require the approval of the Division of Sanitation before work is started. Standard specifications will be amended from time to time to improve the methods of private sewage disposal in the Virgin Islands.

Many of the open storm sewers in the Virgin Islands are used for the disposal of kitchen and bathroom wastes. Efforts are being made under the new Sewage Act to have these properties tied into the new sewer systems. An average of 20 compulsory connection notices are issued monthly in the Virgin Islands. This will be increased.

Dental Services

Two dental surgeons, 1 registered dental hygienist, 3 locally trained dental hygienists and 1 clerk rendered all the dental services in these municipalities.

The services consist of: admission, examination fillings of amalgam, porcelain, and cement; extractions, surgery, anesthesia, X-rays, prophylaxis, dental treatments, and the preventive process of topical applied fluoride. All schoolchildren and indigents in the island attended these clinics and availed themselves of the dental health services. Out-patient care to patients admitted on a fee basis along with patients committed to the hospital wards also receive these dental services.

Recommendations to employ another dentist were again made in August 1953.

Eight thousand five hundred and eighty-nine cases of adults and schoolchildren received treatments at the clinics in St. Thomas, St. John, and St. Croix. Four thousand eight hundred and sixty-one were in St. Thomas and St. John, and 3,728 were in St. Croix.

In St. Thomas during the month of April, 1,221 children of the elementary schools were examined in order to determine the percentage of dental caries in schoolchildren. This examination will be used as a baseline survey of dental caries.

Laboratory

Laboratory services which cut across three levels—State, local, and institutional—are being reported separately by the chief laboratory technician (insular).

The laboratory has undergone many physical changes and improvements as a result of the move to the new hospital and the acquisition of many modern pieces of equipment. A work area which is well-ventilated and well lighted has also contributed to employees' morale while making it easier to perform examinations and tests with a greater degree of accuracy.

This division is to be commended for the preparation and implementation of laboratory policies during the fiscal year.

Nursing

The nursing staff has been increased with functions of members of the nursing team more clearly defined, and overall quantity and quality of nursing service available to patients has improved. The in-service training available to our nursing personnel has helped us to achieve a higher level of nursing care. Much remains to be done,

however, in order to bring care up to standards acceptable by a board of accreditation.

On-the-job training by use of demonstration of technique and skills to personnel, in-service training carried out by the director of nursing education, and ward conferences have all contributed to the improvement of patient care. Education of patients is done concomitant with nursing care, usually by the doctors, and auxiliary workers coordinating as unplanned teams.

The major function during the year ahead is twofold: In-service education and budgetary and organizational planning for a school of nursing. Both of these functions are concerned with nursing education but must be considered as actively associated with nursing service.

The general aims and objectives of our in-service education program may be summarized as follows: To improve the present standard of nursing care through knowledge and efficiency of the present nursing staff; to bring the standard of nursing care up to the level necessary for a school of nursing; and to integrate nursing service personnel into a smooth-working team by presentation and demonstration of newer techniques in nursing as well as reviewing standard techniques.

Nursing education played an important role in the reorganization of nursing service. In keeping with the major aims of nursing education, to obtain background information to determine the type of construction necessary on all levels and facilitate writing of nursing service policies and procedures, a time study was made. It was carried on for 1 week and included all 3 shifts within the 24 hours. Although the results have not been compiled, several factors showed through: that on the medical-surgical service, the majority of professional nursing time was spent doing clerical and messenger work; that on the tuberculosis and neuropsychiatric services, there was little or no assistance in serving meals to patients or in keeping the ward kitchen clean. Other factors were of equal significance to us in planning for future organization.

All our studies indicate the acute shortage of nurses in the Virgin Islands. So many of our basic problems in the hospital arise from this one fact that the actual feasibility and practicability of starting a school of nursing in the Virgin Islands at this time, is almost obliterated by the "local sentiment" accompanying discussions regarding a school of nursing. The total quotation regarding the possibilities of a school of nursing, as stated by the United States Public Health Service report made by Donna Pearce in 1947, follows:

The advisability of maintaining a professional school of nursing is open to question in view of the number of nurses needed in the Islands and the small number of high school graduates available for recruitment for the school of

nursing. Also, there is no educational personnel nor is the hospital at present approved by the American College of Surgeons. However, in view of the local sentiment for a school of nursing and the difficulty encountered in recruiting nurses or in getting those trained elsewhere to return to local employment, the following recommendations are proposed.

Those recommendations made were in favor of starting a school after certain requirements regarding building facilities, admission regulations, and teaching personnel are met.

Hospital

The move to new facilities provided the obstetrics unit with 18 beds, representing an increase of 6 beds more than in the old facility. The additional work area and improved facilities served as encouragement for more of our maternity patients to come to the hospital for delivery. In addition to this fact, the new facilities demanded the full-time service of every midwife, thus making it advantageous for mothers to come to the hospital and insure the midwifery and medical care of professional personnel at the time of delivery.

The new hospital provides better accommodations for our pediatric patients, as well as a standard formula room and a well-equipped nursery for our babies. With the units arranged as they are, it would be very desirable to have nurses in charge of the operation of the specific units only. However, due to the shortage, the nursing personnel must perform combined duties throughout the pediatric and nursery sections.

Prior to the opening of the new hospital, neuropsychiatric patients were housed in an isolated area on the hospital grounds where they received minimum custodial care in bare cells with iron bars and doors which were useful only in keeping patients from getting out. We have tried to close the door on the unsympathetic and curious visitor who previously came to stare and mock the unfortunate inmates in their depressing surroundings.

Today the neuropsychiatric patient is housed in a relatively sanitary and suitable hospital environment. There is one nurse available to them, who, although without special training or experience in the care of the mentally ill, has shown an intuitive skill and understanding in dealing with the patients.

The nursing coverage on this unit is woefully inadequate and has remained consistently far below minimum required standards for the 12-month period.

Ward personnel on this unit have formed a recreational therapy group for instituting indoor and outdoor games with patients, including music, dancing, and social activities with patients. Movies have been shown bimonthly and oftener for the patients by a volunteer

recruit. Some of the movies are educational and others purely recreational. Interested members of the community are providing materials for occupational therapy, needed equipment for the furnishing of the dayroom, and magazines, books, and newspapers are being made available regularly to the patients.

We will continue to provide for increased training and supervision for development of psychiatrically oriented aides, as well as continued education for personnel, patients, and other members of the hospital staff as a whole.

It is essential that we engage the services of a trained hospital administrator, one who is capable of organizing the various departments into a full working force. The hospitals cannot function efficiently without one person at the top to devote full time to the management and planning so necessary in a program of such scope. Business management is not hospital administration. Hospital administration cannot be administered on a sporadic or a spasmodic basis. Decisions cannot be given without adequate thought given to the various interdepartmental relationships. The democratic process is still the best process in the creation and implementation of new policies and procedures. Steady growth and development of departments must be encouraged rather than the mushrooming of services.

EDUCATION

St. Thomas and St. John

The school system in the Virgin Islands is organized and administered under 2 separate departments of education, 1 for the municipality of St. Croix and 1 for the municipality of St. Thomas and St. John, under a basic school law for the Virgin Islands as a whole. There is in each municipality a school board of 5 members appointed by the Governor, the functions of which are largely advisory in nature. These boards are authorized to adopt curricula, prescribed regulations, and recommend appropriations for educational purposes. A superintendent of education in each municipality, appointed by the United States Secretary of Interior, is the administrative head of the school system within his or her jurisdiction and is responsible as a staff officer to the Governor of the Virgin Islands. Except for the salary of the 2 superintendents, and Federal aid for vocational education, the schools are financed entirely by appropriations made by the municipal council in each of the 2 political divisions.

There are no political subdivisions or school districts, and all schools are administered directly by the Department of Education concerned, through departmental staff officers, supervisors, and school principals. Fiscal operations, the functions of procurement and

supply, recruitment, and qualification of personnel are entirely centralized and performed by headquarters personnel.

These departments of education in the Virgin Islands are somewhat unique in that their functions are analogous to those of a "state" education department, yet include those of city or county agencies and local districts in typical school systems of the United States.

In the municipality of St. Thomas and St. John with which this report is concerned henceforth, the school organization follows the "6-3-3" plan, except for two rural schools on the island of St. John, in which 8 grades are maintained. In all there are 7 public kindergartens, 10 rural elementary schools, 5 elementary schools in the city of Charlotte Amalie, and one 6-year junior-senior high school, operated by the Department of Education.

One Roman Catholic parochial school, grade 1 to 12, and 4 private elementary schools report to and are accredited by the department.

In addition to these schools, several auxiliary services and facilities maintained under administration of the department include the school lunch division, public playgrounds, and tennis courts, scholarship and travel aid for veterans, the teachers institute, a scholarship fund for loans to college students, and the public library.

Health services are provided in all schools by the Department of Health, providing free medical and dental treatment and hospitalization for needy children. The Department of Social Welfare renders invaluable service in connection with problems involving faulty home conditions. A health educator employed jointly by the Department of Health and the Department of Education promotes and directs health education for children and adults.

The instructional staff consists of approximately 115 employees including those serving as principals and supervisors. In addition to the services of an elementary supervisor, special supervision is provided in the fields of art, music, and physical education. While nearly all teachers serving in the high school are college graduates with approximate training for their respective fields of teaching, elementary teachers are for the most part high-school graduates with limited professional training. In selection of teachers, preference is given to qualified natives. However, there have been opportunities in recent years for placement of a limited number of teachers from outside the Virgin Islands, chiefly for high-school duty. A degree is required as the basic academic qualification for duty in the high school.

Progress in the school-construction program has been gratifying. The new Charlotte Amalie High School, begun in May 1953, is expected to be completed by the end of January 1955. In addition, contracts were awarded during the year for 2 new elementary schools in St. John, and for repairs, improvements, and additions to 2 rural

schools in St. John, and to 3 rural schools in St. Thomas. Work was begun on nearly all of these projects before the close of the year. Funds have not been provided, however, for the three elementary schools in the city district of Charlotte Amalie. These schools are urgently needed to replace six schools in the urban area, now housed in antiquated and makeshift quarters.

We are able to add certain new courses in fields for which the need has been substantiated as the result of studies made during the preceding year.

A coordinator for distributive education was added to the staff and a program begun in this field, including part-time cooperative classes for high-school seniors, extension classes for adults, and several courses for hotel and restaurant workers. Evening courses for adults, conducted during the year, included selected phases of home economics, a course for plumbers, and a course in blueprint reading. Departure was made in still another field with the addition of a 3-year course in commercial dressmaking for high-school students.

Total enrollment in public schools was 3,403, an increase of 9 above that of the preceding year. Of this number, 959 were enrolled in junior and senior high school grades. Enrollment in parochial and private schools amounted to 1,007. Total enrollment in all schools was 4,410, an increase of 39 above total enrollment in the preceding year.

During the year the quarters of the public library were enlarged by acquisition of the space formerly occupied by the telephone exchange in the municipal building. This space is now used to house the Virgin Islands reference collection, the music and art room, and the librarian's office. Important advances were made in the establishment of new or extended services.

Librarians have taken advantage of available opportunities for educational improvement by enrolling for courses in the spring session of the program for improvement of teaching in the Virgin Islands, conducted by Hampton Institute; and in the experimental college for the summer of 1954. One librarian was on leave without pay pursuing studies at the Polytechnic Institute in San German, P. R.

Total circulation for the year was 32,702.

No effort should be spared to obtain funds to permit continuation of the school building program in order that overcrowding in elementary schools in the urban area may be eliminated at the earliest possible time. At present, total enrollment in these schools is at approximately 200 percent of rated capacity, and in poorly lighted, poorly ventilated, and unhygenic rooms.

The teacher-training program now receiving sound support within certain limitations from the Foundation for the Advancement of Edu-

cation should be augmented by increased appropriations for teacher-training scholarships.

To promote recruitment and retention of better trained teachers substantial increases in teachers' salaries are essential.

Positive provision should be made for curriculum study and revision on a continuing basis, involving assignment of specially qualified professional personnel to duty in this field, with sufficient time free from other demands of office, to organize and direct this undertaking effectively; restoration of budget provision for employment of fully qualified supervisors to promote and develop programs in physical education and recreation; and extension of vocational education facilities and programs, with special regard for part-time, extension, and evening classes for out-of-school youth, and adults.

St. Croix

During the year the Christiansted High School was opened. During the school term the municipal council passed a bill appropriating \$5,000 for textbooks. It gave us more books than we have had during the past 8 years. Appropriating extra money for textbooks exhibited the fine attitude and interest in education on the part of our legislators.

At the beginning of the school year all schools were filled to capacity. Many high-school students had to sit in windows or stand.

The vocational division has not grown as fast as was expected. Students in some cases have been reluctant to go into trades. This problem could be partially solved if a good guidance program was developed.

At present we offer carpentry, plumbing, electricity, and agriculture. Girls have home economics only.

Agriculture got off to a slow start but finally developed into a good program. Students raised choice vegetables, had poultry projects, and other phases of agriculture.

The program of agriculture in Frederiksted was conducted in the school and community. The adult work was especially interesting and farmers were appreciative of the knowledge gained.

The commercial division of the high school is probably the most popular. It is not the largest because the number that can be taught is limited. Much improvement has been made in this department during the past 4 years. Though commercial work is taught in both the parochial and public high schools, there is a shortage of clerical workers in the community.

Our elementary schools are terribly overcrowded and understaffed. This situation will continue until new school buildings are erected.

A summer school of college level was sponsored by the Department of Education and conducted by the Polytechnic Institute of Puerto Rico. It was well attended although teachers paid their own expenses.

Miscellaneous data

	St. Thomas and St. John	St. Croix
Number of schools:		
Public (including kindergarten).....	22	9
Parochial.....	3	5
Private.....	4	0
Total.....	29	14
School enrollment (June 1954):		
Public.....	3,403	2,078
Parochial.....	729	1,193
Private.....	278	0
Total.....	4,410	3,261
Public school enrollment:		
Kindergartens.....	299	
Grades 1 through 6.....	2,145	1,549
Grades 7 through 9.....	614	376
Grades 10 through 12.....	345	153
Total.....	3,403	2,078
Average pupils per classroom teacher:		
Rural elementary.....	28.6	37
Urban elementary.....	36.4	48
High school.....	31.7	23
Average salary of teachers in public schools:		
Elementary.....	\$1,647.96	\$1,532.43
High school (academic).....	\$2,333.52	\$2,250.00
Teacher training (exclusive of vocational):		
College graduates.....	31	34
Normal school (2 years or more).....	12	
High-school graduates.....	63	24
Other.....	8	14
Total.....	114	68
Total expenditures:		
Municipal appropriations.....	\$423,729.78	\$195,203.66
Federal contributions.....	75,677.02	23,055.83
Other sources.....	5,655.75	
Total.....	505,062.55	218,259.49
Annual expenditure per pupil, exclusive of school lunch, adult education, and community services.....	\$105.12	\$97.13
Aid to college students.....	\$5,990.19	\$1,000.00

PUBLIC WORKS

Due to a flash flood in the early part of September 1953, the road system in St. Thomas and St. John was seriously damaged. In many instances, the complete surface was destroyed, as in the case of dirt roads. Bituminous macadam surfaces were undermined and bulged causing potholes. Road shoulders were damaged and had to be replaced. We are still repairing the damage of this storm.

The waterfront, in the vicinity of district court, was surfaced in accordance with plans submitted by the planning board.

Our patrol grader has been constantly occupied on our secondary roads and on the filled area at the waterfront, where drainage is a serious problem. Due to the softness of the fill along the waterfront, the grader has bogged down many times and had to be hauled by dozer to harder ground.

The following work is urgently needed: Sealing the Charles Harwood Highway; rebuilding the Bourne Field Road, Long Bay Road, and the Sugar Estate Road; and hard-surfacing the St. Peter Mountain Road.

It is hoped that it may be possible to take care of this urgent work during the coming year.

As more people discover the charms of our islands and build homes, it becomes increasingly necessary that our road system be kept in repair.

The roads on the western end of St. Thomas should be thoroughly repaired and hard surfaced.

Work continues on the Cruz Bay-Coral Bay Road on St. John under force account.

The usual maintenance work was undertaken on the established road system by municipal funds. These roads were severely damaged in the flood, and alien labor had to be used to help with repairs, as manpower to cope with the situation was practically nonexistent in the islands.

There were approximately 20,000 cubic yards of garbage and rubbish removed and hauled to the dump.

A breakdown of one of the diesel-operated pumps necessitated the operation of the electric-driven pumps on a 24-hour basis. This jumped our cost of operation tremendously. Bills for electricity consumed were in the vicinity of \$2,000 per month.

Contract was let for the installation of machinery at the Long Bay Lift Station, which was completed near the end of the fiscal year.

New 6-inch sewer lines were installed at hospital ground, French Village and a section of the waterfront. In all, a total of 1,082 feet of new sewers were laid.

Our public buildings are in sad need of general repairs. Funds allotted for the upkeep of these buildings are barely adequate for minor repairs.

Contracts were let for installing of new metal windows and shutters at Government House. Contract was also let for the painting of the interior of this building.

The electrical system in both Government House and Administration Building was renovated.

New guttering was installed at the Municipal Building and the storm shutters repaired and painted.

Our parks are kept clean and that is about all that can be done, within the limitation of funds. Certain public-spirited individuals have helped to beautify these parks with ornamental plants, but these plants have nearly all disappeared, due to destruction by children and even adults.

The walks in our cemeteries should be paved. The southern side of the main cemetery should be enclosed by a suitable fence.

Allotments for public roads on St. Croix did not permit hard-surfacing of any of one-hundred-odd miles of unpaved roads, but they were very effectively maintained. Being easily washed and rutted by rain and traffic, such gravel surfaces require constant attention. As a result, 80 percent of these roads were graded and patched 3 or 4 times during the year. Other sections received lesser attention as conditions required.

About 6 miles of the 39 miles of hard-surfaced roads on St. Croix are to be reconstructed with allotments now on hand, but the other 33 miles are in urgent need of seal coating, and have been in that condition for many years. When this wearing topcoat is not regularly replaced, water penetrates to the subgrade and a gradual breaking up process sets in.

Along the Center Line Road, particularly, extensive maintenance was carried out on the gravel shoulders adjoining the paved surface. These shoulders accumulate dust and trash which builds up and causes them to rise above the roadway, and this must be graded back to proper level a few times a year.

On the headbanks of this road, many palms and other trees growing too far out were removed to insure greater safety to traffic.

More roads should be hard surfaced, but allotments therefor are not available.

St. Croix roads

Type	1934 (miles)	1944 (miles)	1954 (miles)
Hard-surfaced	0	36	39
Dirt and gravel	140	104	111

With an excavator of 50-foot boom, received from excess property during the year, we have done considerable dredging along the Christiansted docking areas. For a long time the accumulating silt had reduced the depth of water by more than 3 feet.

The north runway at Alexander Hamilton Airport on St. Croix was considerably worn and decomposed in several sections, and the Civil Aeronautics Administration recommended a complete repair of the

base course and an asphalt sealcoating of the entire strip, amounting to a surface area of 4,000 feet long by 150 feet wide, and 300 feet long by 50 feet wide.

The Civil Aeronautics Administration contributed about two-thirds of the allotment, and the municipality sponsored the other third.

Contract has been awarded for installation of a new lighting system for this field.

There was great need for a Federal-standard cattle dip where the animals could be properly isolated and inspected prior to shipment. The site near the slaughterhouse in Christiansted was chosen as best suitable and an excellent dip was constructed. The dip covers an area of three quarters of an acre, and comprises the receiving pen, dip vat, noninfectious pen and concrete floor and watering trough, loading chute to barge, and docking area, 11 feet deep.

Public Utilities

At the end of the fiscal year June 30, 1954, there were over 1,500 telephones in service. This represented a 60-percent increase over the year 1952, when the old magneto system was retired from service.

During the year 1953, overseas service was put into operation, giving an extended service to our subscribers. Communication by telephone from the Virgin Islands to 90 percent of the entire world is now possible through the facilities of an associated company. The overseas branch of our telephone system is operating at a loss, which was anticipated when the service was instituted. It was thought that the overseas service would aid the general development of the island and that the telephone system being a department of the Government should help the Government by sustaining such losses. However, these losses can be offset by imposing a surcharge on all overseas traffic, a percentage of which can be readily determined as the overseas contract with All America Cables & Radio could be renegotiated with a view of getting a better percentage of the money collected. It may prove necessary to combine both suggestions to accomplish desired results.

All telephone employees received pay increased under provision of the merit system law. This, coupled with other increased cost for maintenance materials, provides a heavy burden for the system to carry and show a profit. We must reexamine our rate structure.

Reorganization of the system is advisable and should be with a view of consolidating the systems of all three islands. Efforts should be made to establish realistic rates, using the worth of the system as a rate base.

SOCIAL WELFARE

The outstanding improvement in the field of social welfare was the 25-percent increase in public assistance rates, which became effective in February 1954. This improvement was achieved without any increase in municipal appropriations and resulted chiefly from a 16-percent decrease in the caseload over the past 2 years. Taking the month of June each year, for purposes of comparison, we find that this year 1,477 clients received an average monthly grant of \$10.87 as against 1,583 persons at an \$8.50 average grant last year.

This increase is the result of much effort over several years in rehabilitating clients, wherever possible, and channeling them into gainful employment of diligent searching out and marshaling of family and community resources, and utilization of Federal matching of the local appropriations at every possible point.

Despite this heartening improvement, the sad fact remains that assistance—even at the increased rates—still represents only about 60 percent of the basic needs of clients. The food allowance, for example, still represents only 9 cents a meal for an adult.

The public-assistance program has been restricted to persons in dire need, to unemployables—the aged, the handicapped, and children—rather than the unemployed. As a result, recipient rates (the ratio of assistance and OASI recipients to population) in the Virgin Islands this year, as in the past 2 years, are lower than the national averages and lower than the averages in nearby Puerto Rico. For persons 65 years and over, our rates are only about 71 percent of those on the mainland and 67 percent of those in Puerto Rico. For children, our rates are about 83 percent of the mainland figure and 39 percent of the Puerto Rico rate.

The department continued efforts with Washington agencies toward securing extension to the Islands of vocational rehabilitation services. Likewise, it renewed representations to Congress for replacement of the dollar-for-dollar formula, still in effect for Federal matching for public assistance in the Virgin Islands, with the formula of \$4 Federal for each State dollar now operating in the United States, Alaska, and Hawaii. This amendment to the Federal Social Security Act is very urgently needed.

The Queen Louise Home for the Aged in St. Thomas operated at its full capacity of 19 available beds throughout the year. This capacity is distressingly inadequate so that many cases in dire need of institutional care cannot be admitted for lack of space. There is under consideration the possibility that the premises of the present George Washington School, when vacated by reason of the proposed school construction program, may be allocated to house this and other welfare institutions and facilities.

The Corneiro Home in St. Thomas provided shelter and caretaker service to some 23 aged residents. Housekeeping aid was furnished through Community Chest services to the more feeble inmates. Often during the year the number of applicants, as in the case of the Queen Louise Home, far exceeded the number of rooms available. At Kingshill Home in St. Croix, operated by the health department, 33 chronically ill and public-assistance cases certified by the welfare department, were admitted during the year. The Aldershvile Home in St. Croix provided shelter facilities to 23 public assistance clients, well within its capacity of 31 apartments.

Relationships with the two municipal boards of social welfare have been most satisfactory, and they rendered fine cooperation in establishing the revised public assistance plan and in developing proposals to the Governor regarding school properties soon to be vacated to be utilized for needed welfare activities.

Child welfare services continued to be a major activity of the department of social welfare. A reduction of \$7,260 in the Federal child welfare grant, as compared with the previous year, made necessary the curtailment of several important phases of the program. Casework services for children living in their own homes were provided during the year to 479 different children and their families, 221 in St. Croix and 258 in St. Thomas. Casework services were also furnished to the Mandahl School, the courts, schools, and the division of mental health.

The foster home program continued to be one of the most encouraging phases of the department's activities: a total of 80 children received care during the year, which is a 23 percent increase over 1953. But limited funds made it impossible to provide foster care for all the children in St. Thomas and St. Croix needing placement. Early in the year the St. Thomas-St. John municipal council appropriated additional funds to increase the monthly board rate from \$15 to \$25, but not enough to increase the caseload. Shortage of funds in St. Croix made impossible any improvement there either in the board rate (which remained \$15 per month) or in the caseload.

Detention care was furnished to 61 children for a total of 897½ days in the crude, unsatisfactory facilities of the prisons at Charlotte Amalie, Christiansted, and Frederiksted. Relocation of detention facilities is one of the urgent recommendations of the department.

The Mandahl School (for neglected and delinquent boys) operated with an average enrollment of 36 boys, but provided care in all for 44 different boys from the 2 municipalities (13 St. Croix and 31 St. Thomas). There were 7 admissions and 10 releases during the year. The superintendent-designate of this institution was on study-leave on the mainland during the year, on a scholarship provided by a civic-minded resident of St. Thomas. Despite grave difficulties in shortage

of funds for operational needs, and despite the lack of trained personnel, the overall record of care and treatment furnished by the school is good, and the record in the community of boys released from the school, for the most part, is favorable. Notwithstanding the low average age of the boys, 14.1 years, they participate actively in all maintenance operations and in projects for improvement of the physical plant.

A home for girls presenting a behavior problem is still a serious need in the islands. Several positive steps were initiated during the year to secure funds for its early establishment, but as yet there are no definite prospects.

In the staff-development program, five workers were studying at schools of social work in Canada and the United States, through United Nations, departmental, and private scholarship grants. One worker returned to duty in the child-welfare division in July 1953 and another to the public-assistance division on July 1, 1954. One supervisor was granted a United Nations fellowship for study abroad beginning September 1954.

The department prepared and proposed a plan for determining the ability of persons to pay for municipal hospital services in the three islands, which was finally adopted by the legislature and approved by the Governor. Proposals now before Congress may soon make Federal funds available to the States for construction of chronic-care institutions. Such a program would relieve our hospitals of the burden of chronic cases, and the institutions for the aged of the care of the sick.

A major reorganization of the purchasing and accounting work of the department was accomplished during the year. Activities of this type for the department in both municipalities, formerly performed by each division for itself, were centralized in a newly organized purchasing and accounting division in the insular office.

PUBLIC SAFETY

St. Thomas and St. John

In reviewing the overall activities of this department for the fiscal year July 1, 1953, to June 30, 1954, there is also presented in this report comparative figures for the fiscal year ending June 30, 1953.

Once again, traffic regulation and control demand active attention. The increase in the number of motor vehicles brought into the municipality requires the improvement of existing streets, highways, and roads; the covering of gutters in order to provide more driving space, and the implementation of off-street-parking areas.

While positive methods of enforcement, and the full support of the police court have done much to reduce violations and punish offenders,

thought must be given to providing the pedestrian and motor-vehicle operator with such reasonable requirements as will prevent accidents and traffic congestion.

Using prison labor, personnel of this bureau completed 30 different traffic control projects, involving construction and installation of traffic control signs, curb markings for which permanent plastic disks were used, luminous signs, and marking off of taxicab stands and off-street-parking areas.

The following information presents a comparison of the activities of the traffic bureau with the previous fiscal year:

	Fiscal years—	
	1953-54	1952-53
Motor vehicles registered.....	1,294	1,137
Permanent driver's licenses issued.....	1,119	1,072
Temporary driver's permits issued.....	1,764	1,704
Taxicab licenses issued.....	285	438
Complaints processed in courts.....	304	261
Convictions obtained.....	236	197

With the anticipated delivery and installation of two-way radio communication equipment which has been ordered, this department will be able to greatly increase the mobility of its vehicles. This will result in an expanded project of accident prevention by improved supervision and control of streets, roads, and highways, and-on-the-spot enforcement of motor vehicle laws and regulations.

During this fiscal year, a total of 230 cases of all kinds were referred to the bureau of investigation, as compared to 215 during the previous fiscal year. Of the total number investigated, 201 were cleared by arrest. The total money value of property reported lost or stolen amounted to \$5,934.50, of which \$4,672.91 was recovered and returned to the lawful owners.

The task of the woman police officer is steadily increasing. Recent figures released by the Federal Bureau of Investigation reveal that the female crime rate has more than doubled since the prewar era. In viewing the overall picture of criminal activities, in these islands, we find that women are becoming involved to a greater extent in such offenses as assault, petit larceny, disorderly conduct, forgery and counterfeiting, and vagrancy.

We have provided no home or other supervised facility for the delinquent girl, who soon matures and becomes a woman with criminal tendencies. Plans are being made to set aside a home for delinquent girls. Because of the lack of feminine parental supervision in the homes, many children find themselves at "loose ends," without guidance, and soon get into malicious mischief, or indulge in petty criminal acts.

Again, during this fiscal year, an excellent relationship was maintained with members of the Armed Forces of the United States of America, who have visited the island on maneuvers, for training, and for recreational leave.

Cooperation and good public relations were maintained between this department and the Federal Bureau of Investigation during this fiscal year. Even though the Federal Bureau Agency in the Commonwealth of Puerto Rico was considerably involved in special investigations, the special agent in charge made it possible to assist this department in conducting refresher training courses for personnel of this department, by assigning three special agents as instructors during the period April 5 to 13, 1954. This class of instruction included professional and technical subjects, and proved to be of inestimable value to all personnel who attended.

The police commission functioned in a satisfactory manner during this fiscal year. Many cases involving disciplinary action were handled by these five zealous citizens, resulting in the maintenance of the necessary balance, to maintain respect for police regulations.

It is strongly recommended that the police commission be reorganized, and that it be composed of citizens who are not connected with governmental positions, but rather by persons who have distinguished themselves in civic affairs, who would be capable of establishing the policies of law enforcement in the Virgin Islands, without fear or favor.

During this fiscal year there was a total of 7,920 days of prison care and custody. This total includes the custody and maintenance of

Police department statistics

	1951-52	1952-53	1953-54
Burglary.....	15	38	18
Assault.....	24	16	7
Assault and battery.....	131	129	70
Aggravated assault and battery.....	47	96	76
Arson.....	1	1	1
Attempted arson.....	1	0	1
Carrying of concealed weapon.....	14	34	10
Disorderly conduct.....	324	220	410
Embezzlement.....	2	4	4
Exhibiting deadly weapon.....	8	11	8
Forgery and counterfeiting.....	6	6	5
Gambling.....	38	9	19
Grand larceny.....	11	14	13
Lewd and lascivious conduct.....	1	2	4
Petit larceny.....	46	42	44
Possession of property unlawfully obtained.....	8	0	1
Rape.....	0	1	4
Robbery.....	0	1	2
Slander.....	58	58	47
Statutory rape.....	4	3	14
Trespass.....	40	42	30
Vagrancy.....	19	13	7
Violation of automobile ordinance.....	345	358	364
Violation of police regulations.....	16	15	47
Violation of prostitution ordinance.....	13	5	1
Violation of sanitary regulations.....	49	48	29
All others.....	101	147	68

Federal and immigration prisoners pending their trial, deportation, or transfer to the Federal penitentiary in St. Croix.

The island of St. John about 3 miles east of St. Thomas, with a population of approximately 700 residents, was policed by 1 sergeant and 3 patrolmen during this fiscal year.

St. Croix

The St. Croix police commission comprised of six members met twice during the year. Meetings dealt with (1) suspension of policeman in the Frederiksted division, charged with neglect of duty, and (2) briefing of newly appointed policemen.

An in-service training course was again held this year under the direction of members of the Federal Bureau of Investigation with headquarters in Puerto Rico. The course included:

- (1) Fundamentals of investigations, complaints, interviews, signed statements, and descriptions.
- (2) Raids and crime scene searches, collection and preparation of evidence.
- (3) Techniques of arrests, searches of persons.
- (4) Court procedure, public relations, Federal jurisdiction.

In addition to the above, the men were taken to the shooting range at Alexander Hamilton Airport for target practice. Outstanding members of our community have responded to our requests to lecture to our personnel.

The number of complaints received, investigated, and recorded by the police amounted to 981 as against 1,091 last year. These complaints include any matter brought to the attention of the police that requires police action or advice.

Eighty-one cases involving juveniles were investigated by the police during the year. Eight children were reported missing. All were returned to their homes.

Detention centers are provided for detained juveniles in Frederiksted and Christiansted. When the offense is a minor one, the police contact the parents or guardians and present the facts to them. Other cases are referred to the child welfare bureau. If circumstances warrant, the judge hears the case in chambers with the parents, welfare officer, and police. Most of our cases are repeater cases—boys who have a persistent delinquency record. A majority of these boys come from broken homes. The child welfare bureau has made great headway with their readjustment programs, and a majority of our cases have been satisfactorily adjusted without open-court arraignments. The bureau has, in many cases, recommended institutional treatment and here we find that our needs have outgrown our present capacity. As a consequence, many of our most persistent delinquents

must stay with us because of our lack of institutional facilities. It is hoped that our facilities will be expanded and sufficient personnel provided to carry through with a constructive juvenile rehabilitating program.

There is an immediate need for two-way radio communications between the police stations at Christiansted, Frederiksted, and Kings Hill. Switchboard and radio sending and receiving instruments should be installed at Christiansted and Frederiksted. Steps are being taken to secure at least one radio-equipped squad car.

The Richmond Penitentiary was built in 1836 and is completely obsolete. There is an urgent need to provide a modern prison which will include adequate detention facilities for female inmates, security insurance, a recreational center, and a modern workshop. The present prison adjoins the new hospital, the new high school, the new elementary school, and a large housing project. A new prison, therefore, should find some other locale. Until a new prison can be built, every effort will be made to see that the present structure is adequately secured.

The following information presents a comparison of the activities of the traffic bureau with the previous fiscal year:

	Fiscal years—	
	1953-54	1952-53
Motor vehicles registered.....	1,138	1,057
Permanent driver's licenses issued.....	1,624	1,559
Temporary driver's permits issued.....	348	151
Taxicab licenses issued.....	89	84
Complaints processed in courts.....	78	86
Convictions obtained.....	70	78

FINANCING THE COST OF GOVERNMENT

Public Finance and Taxation

There is disclosed herein for the first time statements showing the total financing of the government of the Virgin Islands, insular-wise:

For the fiscal year 1954, total income.....	\$4,721,243
Total expenditures.....	4,605,044
Income exceeded expenditures by.....	116,199
The total income increased by.....	402,847
Over fiscal year 1953, while the amounts of Federal grants decreased.....	37,492

The increases by sources listed below all point to improvement in business, and vigorous collection enforcement.

<i>Revenue item</i>	<i>Amount of increase in 1954 over 1953</i>
Real property tax-----	\$4, 876
Income tax-----	194, 731
Import, export, and sales tax-----	109, 947
Municipal insurance fund-----	61, 192
St. Thomas telephone system-----	51, 406

Appreciable increases in expenditures were in the departments of public works; health; social welfare, and education, and also in the St. Thomas telephone system.

There was instituted in fiscal year 1954 a program of development and installation of a modern accounting system for the Government of the Virgin Islands, in which the Systems Division of the General Accounting Office participated.

Progress on the installation of a uniform system for the two municipalities has been impeded by variances in the laws between the municipalities. During the year emphasis has been on designing and installing adequate and proper documentation and flow of documents.

The largest of the special fund accounts have been closed into the general fund and the balances made available for general governmental appropriation.

This trend will continue through legislative action until all special funds of a general fund nature are abolished and the necessary activities will be financed by annual appropriation from the general fund.

Uniform centralized payrolling was instituted in the municipality of St. Thomas and St. John on November 15, 1953, and in St. Croix on March 1, 1954.

A uniform document-processing system and file system has been devised and instituted in St. Thomas and a document control desk established in the finance department.

Billing and collection systems have been devised and installed in the hospitals and the telephone offices.

Improvements have been made in the billing and collection of real-property tax; the processing and collection of loans; the procurement, receipt, voucherizing, and payment of materials and equipment and nonpersonal services; the authorization of and obligation for travel; the billing and collection of trade taxes.

The finance department has been reorganized into 4 divisions to perform its 4 major functions:

- (1) General services.
- (2) Accounting.
- (3) Disbursement and collection.
- (4) Tax administration.

The duties and responsibilities of each have been specified.

Comparative statement of revenues and grants, fiscal years 1952, 1953, and 1954

Source of revenue	1952	1953	1954
I. GENERAL FUND			
Taxes:			
Real-property tax.....	\$167,796	\$206,424	\$211,300
Income tax.....	645,454	720,314	915,045
Gasoline tax.....	62,870	80,900	95,236
Automobile license.....	43,086	52,749	58,504
Customs duties.....	25,526	53,460	65,765
Inheritance tax.....	10,115	8,324	6,268
Amusement and entertainment tax.....	4,044	5,230	4,225
Land sales tax.....	17,690	18,168	25,603
Transportation tax.....	19,145	23,155	22,962
Business licenses.....	47,611	49,636	56,692
Import, export, and sales tax.....	348,694	549,611	659,558
Subtotal.....	1,392,031	1,767,971	2,121,158
Other income:			
Court and police fees.....	30,838	37,014	33,320
Wharfage and ship's dues.....	36,209	27,595	37,565
Medical service fees.....	19,242	24,258	53,707
Sanitary service fees.....	5,282	5,961	5,427
St. Croix telephone service.....	12,462	17,829	21,617
Miscellaneous fees, permits, and services.....	37,501	40,770	81,865
Subtotal.....	141,534	153,427	233,501
Transfers from other funds.....	22,478	13,880	57,770
Repayments by power authority.....	12,500	12,000	-----
Subtotal.....	34,978	25,880	57,770
Subtotal, general fund.....	1,568,543	1,947,278	2,412,429
Federal deficit appropriation.....	745,000	745,000	745,000
Total, general fund.....	2,313,543	2,692,278	3,157,429
II. SOURCE OF REVENUE			
Federal grants:			
Central administration.....	285,370	313,250	365,000
Force account.....	142,890	116,681	40,125
Agricultural station.....	50,598	-----	-----
Virgin Islands health.....	190,440	209,718	186,725
Employment service administration.....	18,487	25,067	22,726
Public assistance fund.....	89,430	103,684	107,782
Child welfare services.....	31,203	32,176	30,232
Federal aid in fish restoration.....	8,360	18,500	10,000
Federal aid in wildlife restoration.....	14,302	10,000	10,584
Federal airport project.....	40,802	17,243	30,113
School lunch fund.....	37,523	38,279	44,582
Vocational education.....	22,992	21,104	34,991
Virgin Islands Corporation tourist fund.....	34,600	15,000	350
Subtotal.....	966,997	920,702	883,210
Municipal:			
Potable water.....	23,208	37,575	45,675
Insurance companies fund.....	-----	1,226	48
Medical practice fund.....	-----	70	55
Military imprest fund.....	8,369	280	1,622
Road and soil conservation.....	2,047	1,764	-----
Special project fund.....	6,943	12,650	5,978
Special fund St. John Homestead.....	898	1,356	426
Immigration fund.....	86,749	10,453	18,211
Subtotal.....	128,814	65,374	72,015
Total, special funds.....	1,095,811	986,076	955,225

Comparative statement of revenues and grants, fiscal years 1952, 1953, and 1954—
Continued

Source of revenue	1952	1953	1954
III. ENTERPRISE AND REVOLVING FUNDS			
Municipal homestead fund.....	\$2,882	\$4,945	\$14,184
Municipal insurance fund.....	48,191	63,563	124,755
Municipal market fund.....	2,044	700	106
Virgin Islands lottery.....	219,719	201,967	215,212
St. John electric fund.....	619	775	991
St. Thomas development authority.....	98,627	108,287	118,538
St. Thomas Park authority.....	1,802	2,113	5,886
St. Thomas and St. Croix power authority.....	463,911	179,788	92
St. Thomas telephone fund.....	47,392	51,015	102,421
Airport fund.....	30,104	25,331	24,512
Tax seal fund.....	1,605	1,558	1,892
Subtotal.....	916,896	640,042	608,589
Grand total, all funds.....	4,326,250	4,318,396	4,721,243

RECAPITULATION

I. General fund.....	\$2,313,543	\$2,692,278	\$3,157,429
II. Special fund.....	1,095,811	986,076	955,225
III. Enterprise and revolving funds.....	916,896	640,042	608,589
Total.....	4,326,250	4,318,396	4,721,243

'Comparative statement of expenditures by organizational units, fiscal years 1952, 1953, and 1954

Organizational unit	Total Virgin Islands				General funds				Special funds				Enterprise and revolving funds
	1952	1953	1954	1952	1953	1954	1952	1953	1954	1952	1953	1954	
Legislative assembly and municipal council--													
Police court and recorder's office--	\$80,123	\$94,835	\$103,179	\$80,123	\$94,835	\$103,179							
Office of the Governor	16,366	17,918	16,918	16,881	17,918	16,918							
Central administration--	66,366	67,692	70,662	66,366	67,692	70,662							
Office of the Virgin Islands auditor--	282,271	303,217	20,001	12,574	16,983	20,001							
Department of finance--	12,574	16,983	20,001	12,574	16,983	20,001							
Tax assessor's office--	128,388	128,086	267,700	177,980	283,622	319,001	190,515						
Police, public safety, and prison departments--	23,852	32,978	31,437	23,852	32,978	31,437	32,978						
Public works and fire departments--	149,400	163,332	173,909	149,460	163,332	173,909	163,332	173,909					
Harbor department	688,519	537,879	638,549	393,825	408,020	483,503	292,694	129,839	155,046				
Health department	32,729	34,269	35,903	32,729	34,269	35,903	34,269	35,903					
Department of social welfare--	762,359	854,129	903,086	558,811	631,863	718,560	193,548	222,266	186,525				
Department of education--	319,986	346,413	428,321	51,639	63,029	149,061	268,277	283,384	279,260				
Homestead and land authority--	513,251	672,223	716,553	446,504	546,114	575,162	66,747	126,109	141,391				
Office of the wage commissioner--	6,653	12,206	5,353	2,639	2,274	2,776	2,776	782	59				
Office of civil defense--	3,906	4,382	3,906	3,488	3,906	4,382	3,906						
Office of price and rent control	443	102	189	443	105	180							
Municipal telephone service--							3,856						
Public buildings and grounds--	78,298	93,571	123,186	28,612	31,568	35,026							
Boards and Commissions--	17,269	20,837	22,350	17,269	20,837	22,350	20,837						
Agricultural station--	47,522	2,015	6,798	58	2,015	6,798							
Employment service administration--	18,193	25,319	25,277										
Federal aid in fish restoration--	1,500	17,205	10,487										
Federal aid in wildlife restoration--	11,581	2,530	6,804										
Virgin Islands tourist development--	50,222	47,870	26,799										
Immigration--	46,466	3,461	61,964										
Virgin Islands lottery--	190,562	193,243	230,655										
Development authorities--	116,794	131,061	125,688										
Park authority--	3,938	4,516	5,662										
Power authority--	435,990	218,085	2,524										
Subtotal, expenditures--	4,077,150	4,025,848	4,373,497	1,963,223	2,221,660	2,644,277	1,262,595	1,141,056	1,197,005	861,332	663,132	532,215	
Transfers to special funds--	200,657	308,518	281,547	260,657	308,518	281,547							
Grand total--	4,337,207	4,334,366	4,605,044	2,223,280	2,530,178	2,875,824	1,262,595	1,141,056	1,197,005	861,332	663,132	532,215	

RECAPITULATION

	1952	1953	1954
General funds.....	\$2,223,280	\$2,530,178	\$2,875,824
Special funds.....	1,282,585	1,141,156	1,197,005
Enterprise and revolving funds.....	851,332	663,132	532,215
Total ¹	4,337,207	4,334,366	4,605,044

¹ Includes \$8,676 in income tax and general refunds as expenditures.² Includes \$8,000 in income tax and general refunds as expenditures.³ Includes \$108,087 in income tax and general refunds as expenditures.⁴ Expenditures to June 30, 1954.

Real Property and Taxes

St. Croix.—Real property tax assessments and changes in assessments are made annually upon inspection of all property which is liable for taxes in confirmation with the provisions of the ordinance providing for the assessment, levy, and collection of taxes upon real property.

Internal revenue taxes are assessed from invoices. The rates at which the various commodities which are introduced into this municipality are taxes varied from 5 to 20 percent.

The continuous subdivision of estates and small parcels of land into numerous smaller plots as building sites, the sale of these plots and the erection of homes thereon causes the recording division of this office to be ever busy with the recording of deeds of conveyances, real property mortgages, chattel mortgages, and numerous other legal documents.

The assessment schedules for the municipality of St. Croix for the calendar year 1953 show a total value of \$6,951,663.87, an increase of \$154,884.18 over the preceding year. In taxes the increase gain on this valuation is \$1,939.84 or total tax return of \$86,898.36 for 1953.

These increases were obtained principally from new construction and adjustments in assessed valuation that were necessary in different sections of the island.

Assessed value and taxes for the calendar years 1948 and 1953

1948

	Assessed value	Total assessed value	Taxes	Taxes
TOWNS				
Christiansted.....	\$1,679,400.00		\$20,993.06	
Frederiksted.....	666,115.00	\$2,345,515.00	8,326.78	\$29,319.84
COUNTRY DISTRICTS				
Christiansted.....	1,395,475.58		17,444.04	
Frederiksted.....	977,200.96	2,372,676.54	12,215.83	29,659.86
United States property operated by Virgin Islands Corporation.....	1,041,348.51	1,041,348.51	13,016.86	13,016.86
Total.....		5,759,540.05		71,996.56

1953

	Assessed value	Total assessed value	Taxes	Taxes
TOWNS				
Christiansted.....	\$1,912,583.74		\$23,907.88	
Frederiksted.....	648,035.00	\$2,560,618.74	8,100.75	\$32,008.63
COUNTRY DISTRICTS				
Christiansted.....	2,039,889.26		25,499.28	
Frederiksted.....	1,152,499.08	3,192,388.34	14,407.23	39,906.51
United States property operated by Virgin Islands Corporation.....	1,198,656.79	1,198,656.79	14,983.22	14,983.22
Total.....		6,951,663.87		86,898.36

The assessments for the Virgin Islands Corporation for the calendar year 1953 is \$1,198,656.79 and taxes in the amount of \$14,983.22.

The board of tax review met during the year for the purpose of hearing complaints, examining, revising, and correcting the assessment schedules of the Districts of Christiansted and Frederiksted and that of the Virgin Islands Corporation. Among the things discussed and recommended was an increased assessment on real property throughout the island for the ensuing year.

Internal-revenue taxes as assessed on invoices presented which covered the importations of taxable commodities that were imported by merchants licensed to do business in this municipality and other individuals amounted, for the fiscal year July 1, 1953, to June 30, 1954, to \$272,712.98, representing an increase of \$84,424.53 over the previous year.

St. Thomas and St. John.—Assessment of real property in the municipality of St. Thomas and St. John for the calendar year 1953 were made during the period January 15, 1954, to March 31, 1954. Total assessed valuation of all real property amounted to \$11,869,672.95. Of this amount, \$2,238,400 represents assessments on real property belonging to individuals or firms which have been granted tax exemption. Real property assessments and taxes were distributed in the following manner.

	Assessed valuation	Taxes
St. Thomas.....	\$9,017,801.95	\$112,148.82
St. John.....	613,471.00	7,668.00
Tax-exempt property.....	2,238,400.00	-----
Total.....	11,869,672.95	119,816.82

The following table compares total assessed valuation of calendar year 1953 with that of the 4 preceding years:

Comparison of valuation and taxes 1949-53

	Total assessed valuation	Total tax assessments
1949.....	\$6,919,913.29	\$86,223.42
1950.....	7,233,784.32	88,276.52
1951.....	8,751,872.00	109,398.49
1952.....	8,761,695.20	114,346.17
1953.....	11,869,672.95	124,910.84

The increase in valuation in 1 year (1952-53) amounts to \$3,107,-977.75; increase in taxes assessed amounts to \$10,564.67.

The tax board of review and equalization met 7 times during the months of April and May 1954, and heard 21 appeals. Of the 21 assessments appealed, 11 were upheld, 9 reduced and 1 canceled.

During the assessment period in 1954, the old system of notifying taxpayers of change in assessment was revised to enable the tax assessor to combine the tax notice with the actual bill which was to constitute evidence of taxes due and upon payment of taxes, serve as a receipt. Three thousand five hundred and seventy-two notice bills were distributed by mail for the first time, eliminating the need for employment of extra personnel, as was the practice in former years.

Very little progress was made in the effort to modernize the tax records, due to the difficulty encountered in having the position of real property record clerk established in the office, and the failure to secure adequate cadastral maps of the two islands.

Total assessments in trade taxes for the fiscal year 1953-54 (July 1, 1953, through May 31, 1954), totaled \$364,728.89. Receipts for June 1954 are not included, since returns for that period will not be due for billing until this current fiscal year. The total assessment figures for fiscal year 1954 exceeds that of fiscal year 1953 by \$30,360.58, and exceeded the budgeted expectation by \$34,728.89.

DEFENSE ACTIVITIES

Selective Service Operations

As of June 30, 1954, a total of 2,786 men were registered in the Virgin Islands, representing an increase of 242 during the year. Included in the total registration are 43 aliens within the age group liable for service who, while required to be registered, were classified IV-C, indicating that proper clearing and establishment through Immigration Department channels had not been accomplished.

Selective Service statistics

	1953	1954
Total living registrants, all ages.....	2,544	2,786
Total living registrants under 18½ years.....	88	99
Total classified registrants, all ages.....	2,456	2,761
Total I-A and I-A-O examined and acceptable, available for service.....	40	40
I-A and I-A-O not examined, available for service.....	405	409
I-C (inducted).....	624	365
I-C (enlisted or commissioned).....	148	292
I-C (discharged).....	27	34
I-C (reserve).....	48	213
I-D (member Reserve or student in ROTC).....	15	18
I-S (statutory deferment, college).....	3	3
I-S (statutory deferment, high school).....	3	4
II-A (civilian employment except agriculture deferment).....	1	2
II-C (agricultural deferment).....	2	3
II-S (student deferment).....	7	8
III-A (family dependency).....	58	58
IV-A (Veterans with prior service).....	9	14
IV-C (Aliens, not available for service).....	52	43
IV-D (ministers, or students for).....	1	2
IV-F (physically, mentally, morally unfit).....	525	661
V-A (Over age of liability for service).....	491	592
Total canceled, all ages.....	137	143
Total deceased, all ages.....	13	14

A total of 1,220 separate classification actions were completed by the two local boards serving (1) St. Thomas and St. John, and (2) St. Croix. Each board met at least once per month to consider new classifications, as well as reclassification actions.

As of October 1, 1953, in addition to the English qualification test, a Spanish qualification test, having been developed, was applied to all registrants having their basic language in Spanish. Although few Virgin Islands registrants would undergo the Spanish-type test, we have discovered that, particularly in St. Croix, Spanish speaking registrants frequently appear in small numbers among our examinees. The majority of those registrants having failed the mental English test, and who were subsequently reexamined with the Spanish test were found acceptable for induction.

During the year, the quota for the Virgin Islands was only 131 compared against 229 for last year, the registrants being inducted into the Army exclusively.

Civil Defense

The present concept of civil defense imposes upon the duly organized peacetime departments of government the duty of functioning, although greatly expanded by volunteer workers, or auxiliaries, in minimizing the effects of disasters, whether they are caused by hostile action of an enemy or by natural causes. Hence, civil defense is required to perfect plans for coordinating the duties of police departments, fire departments, public works, public health, medical services, and many others in performing necessary disaster duties.

Apathy among the local population in the Islands is no different from that in the agricultural states of the United States. Unless an emergency is actively at hand every one feels that "it will not happen here," so, very few are interested in going through the training required by civil defense. The program requires that participants undergo many hours of training in various phases so that if, and when, an emergency occurs we can be assured of adequate trained personnel to carry on, and thus avoid the confusion that would ensue with a mass of untrained people milling around and endangering the lives of people who would otherwise be saved. Every effort will be made this year to create greater interest in civil defense.

On November 16, 1953, the Commonwealth of Puerto Rico and the Government of the Virgin Islands of the United States signed a mutual aid compact to assist each other in meeting any emergency or disaster. This compact was approved by the Congress of the United States and is now in force and effect.

On February 26, 1954, we held civil defense tests in both Christiansted and Frederiksted, St. Croix. Officers from the United States

Army Forces, Puerto Rico, also cooperated in simulating fires and repelling attacking airplanes of the CAP which participated in the exercise.

On June 14, 1954, this agency participated in "operation alert," a nationwide test held by the United States. Locally the cooperation received from all departments and from the populace was most gratifying, and showed that if we are called upon in an actual emergency we should be able to give a good account of ourselves.

THE VIRGIN ISLANDS CORPORATION

During the fiscal year, four meetings of the directors were held; namely, September 28, 1953, December 14, 1953, both in Washington, March 5, 1954, in St. Croix, and June 15, 1954, in Washington.

The administrative officers are Dr. Kenneth A. Bartlett, president, who took office on December 28, 1953, and Mr. William A. Kelley, comptroller, who took office January 1, 1954.

As of June 30, 1954, the major holdings of the corporation comprised—

On the Island of St. Croix:

1. 4,686.73 acres of land and 1,000 acres of leased land.
2. The Bethlehem Sugar Central (the only one operating in the Virgin Islands).
3. The Central Sugar Factory (obsolete and no longer used).
4. The electric generating plant, transmission lines, and distribution system serving the rural districts and towns in St. Croix.
5. A distillery (leased and operated by the firm of A. H. Riise Distillers Corp.).
6. An abattoir (leased and operated by St. Croix Sugarcane Industries, Inc.).
7. Dwellings which are rented to the supervisory and labor staff.
8. Considerable general equipment, rolling stock, and farm equipment incident to the various operations.

On the Island of St. Thomas:

1. The electric generating plant, transmission lines, and distribution system for the rural and town districts of the island of St. Thomas.
2. Facilities at the submarine base and Bourne Field, consisting of land, buildings, houses, airport facilities, docks, and others which are operated by Virgin Islands Corporation under a permit from the Secretary of the Interior who holds them under permit from the Department of the Navy.

The total assets of the corporation, including the lands, buildings, machinery and equipment, described above, had a net book value of \$6,800,032 as of June 30, 1954. Current assets, \$2,391,699; current liabilities, \$590,951; working capital, \$1,800,718; Government's equity, \$6,209,081.

Sugar Department

The growing of sugarcane and the production of sugar continue to be the major operations of the corporation. While doubt has been evidenced as to the economic desirability of continuing a sugarcane economy on St. Croix, the fact remains that it contributes in so many ways to the island's income and employs such a large number of people in its operation that its economic impact cannot be overlooked or underestimated; without it a substantial relief program might have to be maintained.

During the period from July 1, 1953, through February 28, 1954 (the dead season), Virgin Islands Corporation had an average employment, in all its operations of 712 per diem workers and 131 appointed personnel. During the period from March 1 to June 30, 1954 (the harvest season), average employment was 1,053 per diem workers and 127 appointed personnel. The employment of British West Indian labor for harvesting the sugarcane crop averaged 365 for the same period. It should also be noted that slightly more than 33 percent of the sugarcane produced is grown by private growers, thus providing a living to some 500 or more large and small farmers, plus employment to others.

In recent years improvements and developments in the production of sugarcane have been attained and as a result the field operations have not contributed substantially to the overall losses being sustained. It will be noted that in 1954 these losses amounted to \$114,306.13 or 17 percent of the total sugar losses. It can be seen that growing costs increased over 1953 due, in part at least, to reduced tonnage. One favorable figure is the reduction in harvesting costs of 61 cents per ton, a substantial saving. It is hoped and expected that overall growing expenses can be similarly reduced as a result of better supervision and management. Results to date indicate that the growing of sugarcane will always be a marginal operation, highly dependent upon adequate rainfall. However, it appears to be the only large scale field crop which can be grown with any expectation of producing even a small profit. Improved varieties, more widespread use of fertilizer and better cultural practices may eventually make the growing of sugarcane at least a reasonably profitable enterprise.

The processing of sugarcane presents a more pessimistic picture. The total losses for this phase of the operation amounted to \$562,-334.94, or 83 percent of the total sugar losses.

The factor probably contributing the most to factory losses is high overhead, \$404,508.55, principally depreciation and interest. Depreciation charges amounted to \$179,808.60 and interest to \$65,418.82, total \$245,521.42. These figures are completely out of line with similar sugar operations in Louisiana.

Another factor contributing to the poor operation of the factory is the lack of trained personnel and the poor quality of labor generally available in the island. Labor itself cannot be blamed entirely for this situation as it is inherent in the sugar industry that it is a seasonal operation. It is difficult to find and keep good men, who are employed, for a period of 100 days per year or less. Unless there is a surplus labor supply, and this is not the case in St. Croix, this factor can and does become a serious and acute problem. Recruitment of highly trained personnel has also been difficult due to the temporary nature of the program.

Still another factor contributing to poor factory operation has been the temporary nature of the corporation and its predecessor the Virgin Islands Company. The original concept was relief, followed by economic pump priming, but without ever achieving the stability of a normal business operation due to the limited life of the company and the subsequent corporation. As a result, long term investments were not possible.

Power Department

St. Croix.—In 1941 the Virgin Islands Company sponsored a power development program with Rural Electrification Administration, serving the rural areas only. Prior to and during this Rural Electrification Administration operation, electric service in both towns of the island was operated by private interests, which were taken over by the municipal government, at the expiration of their franchise, and operated as a municipal government project. The municipal operation was poor and resulted in an increasing annual loss and, therefore, the municipality requested the Virgin Islands Corporation to take the project over.

Inasmuch as Rural Electrification Administration regulations prohibited Virgin Islands Corporation serving towns with a population of over 1,500, an appropriation was made by Congress to pay off the Rural Electrification Administration loan and to acquire the facilities in the towns—merging the rural and 2 towns systems into 1 overall operation. This was finally accomplished on June 25, 1952, and we opened fiscal 1953 supplying all the electric power on the island of St. Croix.

As of June 30, 1954, there was a total of 2,702 customers representing an increase of 50 during the year, however, 427 new consumers were connected but due to the high rate of disconnections the overall increase was small. During the past 6 months a concerted effort has been made to collect accounts receivable and these have been reduced from an all time high of \$57,151 in February to \$29,691 as of June 30, 1954. This was accomplished by relentlessly disconnecting consumers until accounts became current.

St. Thomas.—With the exception of Rural Electrification Administration's operations, the case history is almost entirely the same as cited above for St. Croix. By the close of the last war the municipal generating facilities had almost completely collapsed and the Navy Department made their generating plant (which they built during the war) available to the municipality, under an operating lease, at the termination of their active defense operations.

This project was initiated by our acquisition, from the St. Thomas power authority, of their facilities (mainly transmission and distribution lines) along with the transfer to Virgin Islands Corporation of the operating lease on the Navy-owned generating plant, on December 1, 1952.

The total number of consumers as of June 30, 1954, was 3,417, an increase of 241 during the year. A similar situation existed in St. Thomas as in St. Croix where accounts receivable were extremely high. In St. Thomas these were reduced from an all time high of \$72,515 in February 1953 to \$36,516 as of June 30, 1954.

The gross income from sale of electric power and other miscellaneous sales, for the period July 1, 1953, to June 30, 1954, amounted to \$319,473.10 with a total overall expense amounting to \$210,058.34, resulting in a net profit of \$68,605.61.

The power department, with divisions in St. Thomas and St. Croix, has been one of the few bright spots in the operations of the corporation. In general, the present management is highly satisfied with the results being obtained, but continued efforts are being made to improve service and increase the use of electric power throughout the islands. Adequate funds are available for contemplated rehabilitation and expansion work for the years immediately ahead, and it is not contemplated to ask for further appropriations in the foreseeable future. The power department is on a fully self-liquidating basis.

Miscellaneous

Bluebeard's Castle Hotel.—The lease with the American Caribbean Corp. on the Bluebeard's Castle Hotel was terminated on September 9, 1953, and Virgin Islands Corporation took over the operation of the hotel. After offering the hotel for sale on bids, and the rejection of the

same, the sale of the hotel was negotiated and the hotel was sold on July 1, 1954, to the Antilles Enterprises, Inc., for the sum of \$410,000 of which \$75,000 was paid in cash and the remainder on a promissory note to be paid over a period of 20 years, at an interest rate of 3 percent. The quitclaim deed contains a default clause under which the buyer agrees to entry of judgment upon the note and agrees to an order of sale of the property, including all cost of such action. The buyer must also expend, within 18 months from the date of delivery of possession (July 1, 1954), \$150,000 in major property improvements.

Distillery.—The distillery has been under lease to A. H. Riise Distillers Corp. who have an option to purchase. Inasmuch as a negotiated sale could not be arranged, the sale was arbitrated under the terms of the lease agreement. The arbitrated price was set at \$60,000, and A. H. Riise Distillers Corp. have until April 7, 1955, to purchase the distillery at this figure. It is expected that the sale will be consummated during the present calendar year. The present charter prohibits Virgin Islands Corporation from operating the distillery directly and its continued ownership is unsound.

Special crops.—A trial planting of 100 acres of dry, edible beans was carried out under a cooperative arrangement with Mr. F. Gootschalk who handled the previous year's plantings. An excellent stand of beans resulted and production was good. Unfortunately, however, due to unseasonable weather conditions, it was impossible to harvest the crop as planned. Heavy showers throughout the harvesting period prevented the use of a combine and it was necessary to cut and stack the beans in the fields for drying purposes. In addition to extra labor costs, substantial percentage of the crop was lost because of mildew and shattering.

In spite of all the difficulties encountered, the project showed a net loss of only \$305.65, including all costs of operation and the supervisor's salary amounting to a total of \$9,118.25. The expenses charged against the project also included several experimental plantings of beans as to fertilizer requirements and spacing requirements. A small trial of castor bean production was also included and this was a complete failure.

While the project was not a financial success, the results seemed to warrant a further trial. Arrangements have been worked out with a private grower to plant approximately 200 acres of dry, edible beans this year. Virgin Islands Corporation will cooperate in this undertaking by providing the farm equipment necessary at the regular rental rates and will not participate in any profit or losses.

Programs conducted under grant funds—(a) Dams.—The construction of dams on the islands of St. Croix, St. Thomas, and St. John was continued in cooperation with the Soil Conservation Service of the United States Department of Agriculture. A total of 21 dams were completed during the fiscal year 1954, with a total storage capacity of 106,100,000 gallons. This brings the total storage capacity for dams built to date under this program on St. Croix to over 200 million gallons. These dams have been built at an average approximate cost of 60 cents per 1,000 gallons.

The dam-construction program was extended to the islands of St. Thomas and St. John during the past fiscal year. A total of 9 dams were completed with an estimated impounding capacity of 39 million gallons of water.

The dam-construction program is undoubtedly one of the outstanding contributions which has been made to the overall agricultural development of the islands. There are very definite indications that the impounding of water has raised the general water table level, particularly in St. Croix, as well as making available water for cattle and limited irrigation projects. The impounding of this water for long periods has also had a marked effect on wells and their subsequent production. It is reliably reported that wells which have not given water for many years are now doing so. Other wells are producing more water and at far less depth than heretofore. It is estimated that if the program can be continued at the present rate for the next 5 years that all of the more suitable sites for dam construction throughout the islands will have been completed.

(b) *Land clearing.*—There are 52,480 acres of land in St. Croix of which 28,640 are classified as suitable for pasture. Of these 28,640 acres, 21,185 acres have been cleared of heavy growth. Approximately 7,000 acres of this cleared land have been planted to improve pasture.

Virgin Islands Corporation clears land under this program free of charge providing the owner of the land agrees to use it for productive agricultural purposes other than the growing of sugarcane and to maintain it free of brush growth for a period of 5 years. In general, compliance with the above requirements has been good. During the fiscal year 1954 land has been cleared at the rate of 150 acres per month and at a cost of approximately \$20 per acre. At the present rate it will take at least 50 months, at an estimated cost of \$150,000, to clear and maintain the 28,640 acres of land suitable for pasture.

Under St. Croix conditions, it is estimated that it takes 2 acres of improved pasture to support 1 animal unit. The present cattle population is estimated to be 9,000 head. If all of the land suitable

for pasture could be cleared and improved, the island's cattle population could be increased by at least 50 percent.

(c) *Forestry program.*—During the fiscal year approximately 27 acres were seeded with West Indian mahogany, by airplane, on St. Croix. Over 2,000 seedlings were grown in flats and pots and will be planted in the field shortly. Under the proposed program, this development work will be continued and also experiments will be started on suitable tree species and forest management.

(d) *Tourist promotion.*—An appropriation of \$5,000 was received for tourist development in fiscal year 1954. The entire amount was used for the printing and distribution of the Virgin Islands Magazine, a magazine devoted to the islands and its attractions, which will be distributed to travel agencies, airline offices, etc., throughout the Eastern and Southwestern States.

Operation of St. Thomas Airport and submarine base facilities.—At the meeting of the board of directors held in Washington on June 15, 1954, it was agreed that, should it be determined that the Secretary of the Interior be forced to revoke the permit with the municipality of St. Thomas and St. John for the operation of the facilities at the airport and the submarine base, St. Thomas, Virgin Islands Corporation would manage the property for a period not to exceed 1 year. It was also agreed that a special committee consisting of the Governor of the Virgin Islands, the president of the corporation, and Mr. D. Victor Bornn would assist the President in any matters which would require board action, and that any expenditures in connection with the management of the properties would be from operational receipts.

The Secretary of the Interior revoked the permit as of June 30, 1954, and turned the management and operation of the above properties over to the corporation. The concern which Governor Alexander had over the mismanagement of the properties was certainly justified. Maintenance of the properties has been almost negligible. The Navy, in its 1954 report, estimated that it would take over \$500,000 to place the properties in the condition which they were received from the Navy by the Department of the Interior. This situation is being corrected as rapidly as possible within the limits of funds available.

The leases and rental agreements were so poorly drawn that many of them have resulted in excessive abuses of privileges by individuals and the terms of practically all of them had been violated. In many instances rentals had not been paid over a period of months, and even exceeding a year, without any action being taken to collect or remove the individuals concerned. It has been necessary to employ special legal counsel and Mr. T. V. A. Dillon was detailed from Washington to handle this work.

A new airport manager, E. H. Gray, was appointed early in July and has done an outstanding job in undertaking the renovation and maintenance of the facilities. In 3 months we have just been able to make a start, but already progress can be noted.

There will be presented at the meeting a financial statement on the operations for the months of August and September. The policy set up by the board to confine expenditures to operational income has been strictly adhered to.

CONCLUSIONS

The major problem of the Virgin Islands today is the dearth of hard-surfaced roads. Probably because of the lack of funds, the great majority of roads in the Virgin Islands are dirt roads which have been bulldozed from the sides of the mountains. The maintenance costs and the effort expended in attempting to maintain these roads in even slightly usable condition after rains have been exorbitant. It is essential that a system of hard-surfaced roads be installed in the Virgin Islands at the earliest possible moment. The installation of such roads, if accompanied by adequate water disposal and sewage facilities, would prevent the annual flooding of the lowlands. Hard-road construction is the most urgent need of the Virgin Islands at this time.

The second urgent requirement of the Virgin Islands (almost paralleling the necessity of roads) is that of housing. The great majority of people in the Virgin Islands are residing in substandard and slum dwellings. Every effort is now being made to begin the slum clearance program at the earliest possible moment. Every facility is being given the Virgin Islands by FHA and PHA, both in Puerto Rico and in Washington. We shall bend every effort to produce a workable plan and start operations during this fiscal year.

Every effort must be made to recruit doctors and nurses for the hospitals in the Virgin Islands. Every effort must also be made to have the hospitals in the Virgin Islands accredited in order that we might institute a nurses training school.

There is great need to secure a healthy reservation for delinquent boys and girls.

Steps will be taken during the coming year to increase the interest of the people of the Virgin Islands in Civil Defense and in the need for their cooperation.

It is essential that we improve the qualifications of the teachers of our elementary and high schools, looking forward to our high schools being accredited to colleges in the United States. After this is done, we can look forward to the establishment of a junior college in the Virgin Islands.

Every effort will be made this year to streamline and modernize the public works department of the Virgin Islands.

It is necessary that an equitable real property assessment be made throughout the islands. Zoning, cadastral maps, and precise surveys are essential and steps will be taken to secure these tools.

It is to be hoped that as the above corrections are being made, there will begin an era of great prosperity for the Virgin Islands of the United States.



